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CENTRAL INTELLIGENCE AGENCY

DIRECTORATE OF INTELLIGENCE
OFFICE OF POLITICAL RESEARCH

February 1976

ELITES AND THE DISTRIBUTION OF POWER IN IRAN

by
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NOTE

This paper is arranged to serve multiple audiences. The Summary and Conclusions is designed for those who, in a limited amount of time, need to grasp the essence of this complex, ancient yet modernizing, society. The main body of the study is aimed at those whose professional responsibilities require more intimate knowledge of the societal structure and the family relationships that provide its motive power. The main body and the annexes together form a reference for those in virtual daily contact with Iranian officialdom.

The paper was prepared in the Office of Political Research. It has been read and commented on by persons in other components. Their suggestions were most helpful and are gratefully acknowledged, but there was no attempt to produce a formally coordinated paper; however, the author wishes to express special appreciation to CRS/NEA/NESA for its cooperation. Research and analysis was completed in December 1975. Comments and reactions are welcome; they may be directed to the author (gray 8252).

SUMMARY AND CONCLUSIONS

THE IRANIAN ELITE

Iran's importance need not be stressed. A major oil-producer and one of the most influential states in OPEC, it aspires to a position of power and influence. This paper is not focused on its political and international prospects* but rather attempts to portray and to analyze the people who run Iran, dominate its politics, control its businesses, set its cultural and moral standards and even try to change its ways.

Requisites for elite status in Iran are the traditional ones of family connection, influence in patron-client relationships, wealth and education. In this century education has become more and more Western in thrust, bringing on conflicts with values developed over the centuries by a society which has absorbed, been changed by foreign influences, but never overwhelmed by them. The contemporary Western-educated Iranian bureaucrat often finds on return to work in his homeland that he is facing, and perhaps being frustrated by, an institution far older than the Harvard Business School. The analysis below tries to portray the Iranian elite as it now exists and functions, and to convey some understanding of how it will perform in the years ahead.

At the top of the elite structure is the Shah, by virtue both of his position as monarch and of his personal power. The centuries-old Iranian tradition of kingship has been stronger than any dynasty or of any individual ruler. Iran without a monarch to rule and protect the nation against outside enemies, would be, for most of its people, a contradiction in terms. Acceptance of the monarch, however, has been coupled with a willingness to accept the elimination of an individual shah who was unable to defend himself or the nation. The incumbent Mohammad Reza Shah, acceded to the throne in 1941. The somewhat insecure son of a tyrannical and domineering father, he has developed remarkably in the years since. For a third of his reign, he was dominated by others and frustrated by his lack of power to carry out his

*These are addressed in, *inter alia*, NIE 34-1-75, "Iran" 9 May 1975.

decisions. For another third he engaged in a successful struggle to establish his dominance. For the last third he has been clearly in charge and is now so strong that his word is law.

In Iran's clearly defined social structure, families count for much; that is, those families whose members compete to carry out the Shah's decisions, and who are themselves powerful. There are some 40 national elite families whose members move from government to political to private pursuits and back again with facility. There are an additional 150 or so families of major but not national importance. These numbers are not fixed; families' fortunes rise and fall according to luck, connections, and the skill of their representatives. Nearly a quarter of today's top families were powerful and influential under the dynasty that the present Shah's father overthrew 50 years ago.

The royal court has traditionally been a hotbed of byzantine scheming. In the Shah's family are an assortment of licentious and financially corrupt relatives, notably his twin sister, Ashraf, a lady possessed of a greedy nature and nymphomaniac tendencies. The Court's tone has been much improved since the Shah in 1959 married a woman from one of the lesser branches of a national elite family. French-educated Queen Farah takes a personal and constructive interest in the working of the Shah's programs of social and economic reform.

Together with his family, the Shah is also surrounded by a host of officials and hangers-on. He appears to rely on a small group, perhaps a dozen persons, in whom he reposes special confidence and on whom he depends for information and whom he uses as channels to various groups in the society. While these people have official positions, their status with the Shah is for the most part independent of job title and totally dependent on their closeness to him. Of these dozen, three represent national elite families, although this is not their chief asset. Long friendship and faithful service are essential attributes. For example, Minister of Court Alam of a national elite family, has been close to the Shah for 40 years, and General Fardust whose father had been a sergeant, has been a friend for 50 years. Although surrounded, the Shah is alone, to the best of any observer's knowledge. He seeks information. He does not seek advice, and few in Iran would dare to give him any. He decides; others execute.

The successful execution of the Shah's programs requires a bureaucracy possessing a variety of skills. Lawyers, engineers, economists and medical doctors predominate; those educated in the political and social science are scarcer. A prerequisite for the opportunity to exercise one's skills is loyalty to the Shah combined with self-restraint in political ambition—a factor which becomes important at the higher levels where an official might be in a position to develop an independent political base. There seems to be a considerable number of educated, competent individuals who refuse to work for a regime of which they disapprove or, if they are employed, work at less than their full potential.

The career of Prime Minister Amir Abbas Hoveyda illustrates the limitations of ambition and power. Hoveyda's unprecedentedly long tenure in office (11 years) can be attributed to:

—the ability to maneuver among the conflicting personal ambitions of other officials who are in at least covert competition for his job;

—the ability to avoid any serious errors in interpreting and carrying out the Shah's wishes and, perhaps more important;

—the ability to play second fiddle to the Shah.

This last point has been the downfall of previous politicians, for a prime minister strong enough to be effective has usually ended up believing he is more competent than the Shah to make important decisions. Hoveyda has not yet fallen into that trap.

The cabinet of today is a classic example of how an important Iranian institution, the *dowreh*, works, in this case to the advantage of several young politicians, Hassan Ali Mansur, Amir Abbas Hoveyda and their friends. (The *dowreh*, "circle" is an informal associational group often cutting across class lines, formed for social reasons, e.g., card playing, for literary or professional discussions or simply for amiability. A well-established *dowreh* provides a forum for the exchange of information and opinions and a means of promoting the political and economic fortunes of its members.) Mansur had already been a cabinet minister, when he gathered in 1959 a youngish group of middle-level bureaucrats interested in the problems of Iranian development. Within two years the group had expanded and became the Progressive Center, at which point the Shah gave his blessing. The establishment

reformism the group indulged in seemed to dovetail with the plans he was formulating, and, in 1964, Mansur became Prime Minister and the Progressive Center transformed itself into the Iran Novin Party. Mansur was assassinated in 1965 by a religious fanatic. *Dowreh*-member Hoveyda, the Minister of Finance, was appointed Prime Minister. Two other ministers in the present cabinet were original members of Mansur's *dowreh*; three more have served in Hoveyda's first cabinet. Several of the cabinet ministers are in competition with each other and with Hoveyda, seeking a dominant position with the Shah, within the cabinet or in the various programs. This rivalry is encouraged by the Shah, who uses it as a mechanism to prevent any single individual from gaining too much personal influence.

Parliament has its role to play in the Shah's system of government, although not as the legislative body that the term parliament implies. In the absence of an authoritarian ruler, the dominant interest in a constituency has generally dictated the choice of deputies. Local landlords, merchants, tribal leaders, religious leaders or their representatives have usually been selected. In constituencies where these were weak, the army, the prime minister or the Royal Court might predominate. Sometimes these forces cooperated; sometimes they competed. During periods when the parliament was relatively free from royal control, e.g., 1906-1923 and 1941-1960, it was rent by factionalism and by the competing interests of those groups who had manipulated the elections.

During the last 12 years parliament has been a tool of the Shah. In 1961, frustrated in an attempt to get a land reform bill through a landlord-dominated parliament, he dissolved that body declaring that it had been elected through rigged elections. That was true, but it was not news, since the same statement could have been made for nearly every parliament. It served the purpose that the Shah wanted, however. His land reform bill was enacted by decree and, when parliament was once more elected nearly two years later, all the deputies—carefully chosen by the Shah—were enthusiastic supporters of his programs. This has been the pattern ever since. The public retains its traditional skepticism toward elections, but membership in parliament is still sought and prized. It provides an opportunity for personal advancement, gives one local prestige and does provide a channel by

which grievances can be expressed and through which favors can be sought and granted.

Probably no group is more favored by the Shah than his officer corps. Special privileges such as pay differential, subsidized housing, education and low-price stores are designed to make the military—traditionally not held in high repute—an attractive profession. Not only professional competence but also skill in military politics are essential for advancement to the higher ranks. Having the confidence and the ear of the Shah are keys to success and, as in the civilian bureaucracy, political ambition or the too enthusiastic promotion of a policy the monarch has not approved is dangerous to an officer's career.

Elite families were once heavily represented in the officer corps; such representation could help protect the family and its interests. From the scanty evidence available, it appears that more and more men from the middle, and even the lower, classes are coming into the officer corps. At company and lower field grade, the officers probably still think and react in much the same way as the non-military in the same class. By the time a man has reached general's rank, however, he is likely to have absorbed the attitudes of the elite in general and, indeed, may have assured his position in the traditional manner, by accumulating wealth, making the right marriage—or a less formal liaison—and securing a circle of friends, acquaintances and family who can help him.

A new elite class with a potential for challenging the traditional system may be in the process of formation. Described by an academic investigator as the bureaucratic intelligentsia or the professional middle class, it is characterized by its members' rejection of traditional power relationships and dependence on modern education and skills as means to establish their own influence. This element is receptive to a wide range of experience and ideas outside the traditional ones and, for the most part, rejects Islam as a guide to life. This class includes professionals of all kinds—doctors, lawyers, teachers and bureaucrats as well as artists, writers and poets who often serve as its spokesmen. The more vocal of this group see themselves as opponents of the Shah, as the vanguard of a modernizing, democratic force which will change Iranian society by sweeping away the traditional order. It is not yet evident that this group will emerge as a relatively homogenous, self-conscious class. It may rather fragment with its more ambitious

members becoming part of the traditional elite, others accommodating to a middle class status with little power, and a small number pursuing active opposition on the fringes of Iranian society.

Many of the members of this potential elite are the persons to whom the Shah must turn to carry out his programs. The Shah clearly recognizes his problem and chooses his people carefully. A member of this group can get ahead only by playing the game, but by doing so (by permitting himself to be co-opted) he supports and strengthens the system. The Shah has successfully co-opted many who formerly, and perhaps still secretly, would rather see the monarchy reduced to a figurehead.

The Shah's ambitious industrialization plans seem certain to bring a new element into the elite. The large entrepreneurs, businessmen, merchants and financiers are the sparkplug of the private sector. A few families, interrelated in many cases, seem to predominate. For the most part, they are not the same as the 40 families and the traditional political elites, but they do have connections with them which are of value to both. Even a partial picture of these business, professional and political relationships is difficult to draw on the basis of present information.

The Shah's attempt to control inflation and profiteering has resulted in arrests, imprisonment and fines not only for small shopkeepers accused of overpricing but also some of Iran's most prestigious—if not most honest—businessmen. This campaign, together with a decree mandating the sale of stock in private concerns to the workers and to the public has created a climate of uncertainty which, if not dispersed, could have a serious effect on investment in the private sector.

Iran does have some who have resorted to violence to destroy the Shah and his system. There are not many in this category and, barring a successful attempt on his life, the terrorists do not threaten the stability of the regime or the Shah's programs. The present violent opposition is embodied in an organization, *Mujahadin-e-Khalq*, the "People's Warriors," composed of the religious community and Marxist/Communists who have submerged their antipathy to each other in the interests of attacking a greater target, the Shah and the system he represents.

The monarchy as an essential feature of Iranian existence is a concept which is likely to be destroyed eventually by more widespread education and by exposure to other political concepts, systems and customs. If the monarchy is accepted by the bulk of the population, for much of the educated minority, the monarchy has already lost its meaning. If they accept Shah Mohammad Reza Pahlavi it is for reasons other than the venerability of the institution he represents—a desire for personal security and advancement or the lack of any effective alternative. The clergy would probably not prefer the elimination of the monarchy but would be happy to see the present Shah go. For them a secular government would be as dangerous as the present Shah, but in the eyes of the religious leaders Mohammad Reza has betrayed an essential element of his role, protection of Islam. The present generation of religious leaders, moreover, seems to be convinced that the Shah, as his father before him, is determined to destroy Islam in Iran.

At age 56 the Shah seems very aware that he has a limited time to establish his policies firmly enough to be irreversible. A return to landlordism, at least in its old form, is unlikely; industrial development is likely to go ahead with or without the Shah, and programs of more widespread educational opportunities would be an imperative for any government. How effective such programs would be under the Shah's designated successor—Crown Prince Reza Cyrus, now 15—can only be conjectured. The Shah has not lavished great praise on his son's potential; the most he has found to say is that a king of the future could do a great deal if he were willing but on the other hand, "we are fixing things so he can do no harm."

This Shah has dominated Iran so completely that trying to project the behavior of the elite into a time when he is gone is most difficult. Lacking a strong authoritarian leader the divisiveness which has always been a characteristic of Iranian society is likely once more to predominate. Personal and family loyalties still take precedence over institutional loyalties and the scramble for political power which has so long been suppressed will re-emerge as a major factor. Even the Army, potentially the most powerful institution in Iran is not likely to escape the personal competition which would reduce its effectiveness as an instrument of any single individual. The scope of relations between high-ranking military officers on one hand and the political or

industrial elites on the other is not known. Such linkages are inherent in the nature of Iranian society but their effectiveness in any particular situation would depend on the personalities involved. Even the professional-bureaucratic intelligentsia, the one new group which might eventually produce a structural change in Iran's centuries-old system remains an uncertain quantity. What does remain more predictable is a continuation of the traditional competition between two major factors—an authoritarian leader dominating or sometimes dominated by a group of competing, power-seeking elites.

A WORD ON ELITES

I have not cast this paper in the mold of any of the several elite theories which exist but have used the general ideas and approaches which seem useful. Published academic studies of the Iranian elite prudently refrain from discussing, in detail, the individuals who exemplify their broader conclusions.* I have reversed this and discuss some of the specific individuals who make decisions, and otherwise exert influence in the Iranian milieu believing that this will be more useful for those dealing with the Iranian system.

A useful definition of elite is that of Ted Gurr in *Why Men Rebel*. The elite are,

> "Individuals with the acquired or inherited personal characteristics that are culturally prescribed requisites for high value positions, whether or not they have actually attained those positions. In Western societies these characteristics usually include high degrees of intelligence, technical training, managerial ability, ambition and skill in interpersonal dealings."

In Iran the requisites have traditionally been family connections, influence in a patron-client relationship, education and wealth. There are some pressures in the direction of the Western model and the conflict can be seen frequently in the presentation which follows.

Iran is best understood by understanding the role and functioning of its traditional elites rather than by examining the formal bureaucratic structures which prevail. The bureaucracies more often than not have been the personal tools of the power brokers or the ground on which personal battles have been fought. Even completely westernized Iranians have found it necessary to conform to the prevailing patterns if they are to find a constructive role. Those who refuse are isolated, often retiring into purely private pursuits, or leaving the country. This comes about not so much because of anyone's

*The principal ones are Zonis, Marvin, *The Political Elite of Iran* and Bill, James, *The Politics of Iran: Groups, Classes and Modernization*. Full citations are in a separate bibliography.

conscious decision but because the structure of power and participation does not provide for the nonconformist.

The Iranian system, however, is flexible and bends when it must to avoid shattering. New faces come into the elite and old ones disappear. When the bases of influence change the elite shift their interests to maintain their positions; the Court, parliament, banking, commerce, all have served, are serving or will serve in the future, as primary foci for maintaining power and position.

The persons appearing in the following pages are to be seen not only as individuals with whom Americans will work, negotiate and socialize but also as types who, whatever the names or the faces, will continue to occupy positions of influence.*

*Two other papers on this general subject may be found useful; "Centers of Power in Iran," CIA/OCI, No. 2035/72, May 1972 (SECRET/NOFORN) and "Preliminary Observations on the Iranian Monarchy," a Research Study produced by CIA/OPR in May 1974 (SECRET).

DISCUSSION

I. TRADITIONAL IRANIAN SOCIETY

"We have decided that a National Consultative Assembly shall be formed and constituted in Tehran deputies to be elected by the following classes of people: The Princes, the clergy, the Qajar family, the nobles and notables, landowners, merchants and tradesmen." (Proclamation of Mozafar-ad-Din Shah establishing the first national assembly. 5 August 1906.)

Iran has had from the earliest times a clearly defined class structure, explicitly recognized by all participants. The major class categories have occupied almost the same relative positions through the centuries; first, the ruling family, then tribal leaders and warriors, bureaucrats, religious leaders, businessmen; and finally the peasants and laborers.* Even major historical events have had little effect on this structure. Thus, when the Arabs conquered Iran in the 6th century A.D. and imposed Islam, the Persian ruling classes quickly went over to the Arabs, converted to Islam, and preserved their own position and social structure. In the process, however, they put a unique Persian stamp on the governmental institutions that evolved from the Arab conquest. New Moslem religious leaders, for example, fitted neatly into the slots vacated by the Zoroastrian priestly class, and the masses became Islamized without serious resistance. Again, when the Qajar dynasty was dethroned by Reza Shah in 1925,** most of the nobles and notables went over to the new dynasty, thus preserving their wealth and status, although in this case sharing power with new faces brought in by Reza Shah.

The social structure, as it has existed for the last two centuries, is summarized in the following chart.

The weight carried by the various groups has varied with particular historical circumstances. Thus

*A full description of the Iranian social structure is not attempted here.

**He gave up his throne in 1941 as a result of British and Soviet occupation and was succeeded by his son Mohammad Reza who still rules.

Figure 1. The Traditional Social Structure

The Ruling Class—The Shah
Families of the reigning dynasty
Tribal nobility
Landlords
System-supporting religious leaders
Military leaders

Traditional Middle Class—Bureaucrats—the civil services which staffed the state apparatus. The bourgeoisie—merchants, traders, businessmen, the bazaaris. The clergy and their students.

Lower Class—Workers
Peasants
Tribal nomads

except for a short period of time in the 1950s the Royal Family under both Pahlavis has been kept out of politics. Individual members can affect events through court intrigue and personal influence but none hold executive posts. The tribal nobility and the landlords have all but disappeared as groups, but as individuals and families may have retained nearly as much power and wealth as in the past. New groups have joined the traditional system; the ruling class now includes an economic elite composed of upwardly mobile members of the lower or bourgeois middle class and former landlords who have turned to business and industry. A new middle class segment has emerged, a professional-bureaucratic intelligentsia, in response to the modernizing requirements of the country. This class has evolved from but not replaced the traditional middle class. Finally, an urban industrial working class drawn from the traditional lower classes has appeared.

Despite the persistence of the classes, the power of the elite is not unfettered. Even the lower classes have had mechanisms by which they could bring pressure for change. Upward social mobility has always been possible. Lower and lower-middle class individuals

have moved into the political elite to become prime ministers, even shahs, as typified by Reza Shah. Gardeners, water carriers, stable boys and cobblers have climbed to positions of power. Channels for this upward mobility have been few and scattered, but there are enough examples to provide credibility.

Normally, entry into the ruling class has been controlled by the political elite themselves through sponsorship of selected individuals, and the ever-present possibility of advancement has served to deflect demands for structural changes. The ability to co-opt has been an important mechanism for obtaining new blood without sacrificing the old system. Thus, the Shah today obtains the technical skills and modern expertise he needs to carry on his reform program. Whether the new arrivals in the elite will become part of the traditional establishment as they have in the past, or become the nucleus of reformers capable of altering the status quo remains an open question.

Informal contacts provide the real motion in Iranian political life, and two key elements in the functioning of the Iranian political system are the *dowreh*, or circle of associates, and family connections.

A. The *Dowreh*

The contacts and connections necessary for political or social status often are made through membership in one or more *dowrehs.** These meet periodically to promote mutual interests, and while the basic reason for the formation of a *dowreh* may be professional, family, religious, or intellectual, the circle's most important function is the building of a network of personal ties to assist the members in their political and economic endeavors. If, for example, one member is appointed to a ministerial position, other members of the *dowreh* can expect to move forward politically. Most active politicians belong to several *dowrehs*. Moreover, the *dowrehs* frequently cut across class lines, thus serving to relieve inter-class pressures and animosities. In this function, the *dowreh* also serves as a mechanism for the non-elite to move into the elite status.

A typical *dowreh*, the "French-doctorate group," met weekly for 25 years. In one three-year period its 11 members included a prime minister, three cabinet ministers, two senators, three ambassadors, the director of the National Oil Company and the president of the Tehran Chamber of Commerce. Another prominent *dowreh*, in this case a poker club, included General Hossein Fardust, then Deputy Chief of the National Intelligence and Security Organization (SAVAK); the late General Mohammad Khatami, Chief of the Air Force, Taqi Alavi-Kia, brother of a retired SAVAK general, who is a builder with lucrative contracts for Air Force housing. This *dowreh* had direct contact with the Shah through Fardust and Khatami, and in addition Fardust enjoys the confidence of Princess Ashraf, the Shah's twin sister. Alavi-Kia provides a channel to the business and commercial worlds through his own contacts and those of his brother, who is engaged in the agro-business industry.

B. The Families

"No man, in spite of his riches, can succeed without his family and without their backing him by their deeds and their words. They are the greatest people to protect him, to congregate around him, to give sympathy when disasters strike . . . Do not exchange anything for blood kinship, and do not be ashamed of it. Whoever holds his hand away from his tribe will only be holding back the hand of one individual, while many hands will be held away from him." (Iman Ali, founder of Shiah sect of Islam.)

Below the monarchy, Iranian society is dominated as it always has been by a relatively small group of elite families, which wield power and influence not only in politics but also in business, commerce and the professions. Members of these families move from government to political jobs to private pursuits and back again with facility, and indeed their political influence may be nearly as great when they are in

*Although "*dowreh*" (literally circle) refers primarily to an upper class social habit the system it represents is widespread in the society under other names, falling into three broad categories, religious, athletic and social. Intra-class contacts are provided by both elite and non-elite participation in some of these. The "Khanegah" or Sufi meeting places, and the "Zurkhaneh," places where traditional athletic exercises are performed, are examples.

private life as in public office.* The large elite families frequently will have sub-families which fall into one or another of the middle classes. The latter may profit from the association, though not becoming part of the political elite. So again, the boundaries of the class system are blurred and the chance of true class conflict is lessened.

The principal criterion for membership in the elite of Qajar times was wealth to buy land, office and political power. At the end of the 19th century the principal offices, whether for local tax collector or cabinet minister were, in effect, auctioned off at the annual New Year's ceremony. Low birth or social status was no obstacle to high position. In actual practice, most of the peasant population was cut off from the means of attaining wealth and hence from political power. Once obtained, however, either by personal ability or, more likely, by sponsorship of an already influential person, social acceptance and political power followed almost automatically.

Land ownership was an essential part of elite status. An aspiring individual, as for example, a military officer, could affirm his high position by becoming a landowner. The national elite, concentrated mostly in Tehran, buttressed its wealth and influence by high office, investment and other opportunities available in the capital. The provincial elite was more dependent on land for their wealth and influence and depended on representation in parliament to protect its interests.

Although new faces often did enter the elite, over time much of the political power tended to be passed around within the same group of families. The change of dynasty in 1925 produced a new crop of elite personalities, but these quickly became indistinguishable from the bulk of the influentials who easily transferred their allegiance from the Qajars to the Pahlavis.

Bill identifies 40 national elite families, of whom a dozen have been predominant in the 20th century. An additional 150-160 families are provincial elites who exert deep influence in a relatively limited area. As individuals, some 250 persons are considered the most politically influential, with a handful near the Shah the most powerful (see sect. II, C). Bill's findings are accepted in this paper. They accord well with the more impressionistic conclusions of official observers over a long period of time.

Even today, 50 years after the dynasty disappeared, perhaps 20 percent of the families, including most of the top 40, were prominent under the Qajars. The immediate family of the Qajars lived in political obscurity under Reza Shah although maintaining a sort of shadow court among themselves, and a few served the Pahlavis in minor capacities. Although many of the Qajar period elite made their peace with Reza Shah, others, depending on the closeness of their relationship and loyalty to the Qajars, barely hung

Figure 2. The Top Forty Families

Adl*	Hakimi
Afkhami*	Hedayat
Akbar*	Jahanbani
Alam*	Khajenuri
A'lam	Khalatbary
Amini	Mahdavi
Ardalan*	Mansur
Ashtiyani	Pahlavi*
Bakhtiyari	Panahi
Bayat*	Pirnia
Bushehri	Qaraqozlu*
Daftari	Qashqa'i
Diba*	Qavam
Dowlatshahi	Saffari
Ebrahimi	Sami'i*
Emami	Vakili
Emami-Khoy	Vossuq
Eqbal	Zand
Esfandiari*	Zanganeh
Farmanfarmayan*	Zolfaqari

These should be considered core families. Besides interrelationships among those named, nearly every family has other relatives with different names clustered around it.

*The most influential.

*In popular literature these families have most often been described as "the 200 families" but sometimes as the 1,000 families or some other figure. This form of description seems to have been popularized by European journalists after World War II and was probably borrowed from the myth of the 200 families ruling France which Eduard Deladier popularized at the French Radical Party Congress at Nantes in 1934. Two years later the muckraking journal "Le Crapouillet" described the 200 families in terms equally applicable to Iran; marriages were made almost exclusively within the orbit of the group. Its solidarity was preserved and strengthened by social clubs and organizations of varying exclusiveness. The tentacles of the 200 families reached into the arts, the academies, the university and the press. Where the tentacles did not reach "funds for corruption and campaigns of vindictive scandal-mongering did the rest." In Persian a popular and venerable term for these families is "bozorgan," grandees. It is first found in a Sassanian inscription some 1,800 years ago.

on. But it is worthwhile noting their capacity to survive. Speaking of the period following the dispossession of the Qajars by Reza Shah, a British scholar wrote

> "The sons of this aristocracy, which was in danger of being eclipsed and in perpetual danger of being deprived of its wealth between 1925 and 1944, survived to take a leading part in affairs after Reza Shah's abdication. They became deputies in parliament and their families names, Pirnia, Amini, Hedayat, Bushihri, etc., were to reappear in public affairs along side the new men, the sons of their former clients and dependents. History has not yet done *with Iran's old landed aristocracy; nor with those newly* rich creatures of the Pahlavi regime who emulated them *and who have also invested in land.*"*

C. Monarchy

At the top of the whole political and social structure is the Shah. His style of rule—the norm in the *traditional Middle East***—*has six dominant* characteristics; 1) Personalism: the ruler governs through his personal relationships rather than formal bureaucratic organizations. 2) Proximity: those who are closest to the person of the leader are the most *influential.* 3) *Informality: political control* and authority are exerted through informal, often covert, channels rather than formal institutions such as political parties or legislatures. 4) Balanced conflict: the leader, as well as most of his subordinates, governs through a divide and rule policy, encouraging conflict among rivals but ready to shift positions in order to maintain a balance among conflicting groups and *personalities.* 5) *Military prowess and personal* courage: a military force at the disposal of the leader is essential in this system. The warrior-hero is an admired figure in Middle Eastern history and success (or failure) on the battlefield has important impact on domestic political position of the leader. 6) Religious rationalization: traditional Middle Eastern rulers have attempted to rationalize their rule by linking it in *some manner with the divine.*

*Peter Avery. *Modern Iran.* New York; Praeger 1965, p. 275.

**Max Weber in *The Theory of Social and Economic Organization* called this the "patrimonial" system. The sovereign is located at the center and is the source of all important ideas and strategies. He is surrounded by advisors, ministers, military leaders, personal secretaries and confidants. The ruler's relations with his subjects are filtered through a huge network of bureaucratic personalities. *Morocco and Jordan are similar "patrimonial" governments.* For a full discussion see James Bill and Carl Leiden, *The Middle East, Politics and Power.*

II. THE MONARCH, HIS FAMILY AND COURT

> "In every time and age God (be He exalted) chooses one member of the human race and having adorned and endowed him with kingly virtues, entrusts him with the interests of the world and the well-being of His servants" (Nizam-al-Mulk (d. 1092))

The Shah of Iran has been on his throne 34 years, far longer than any other leader in the Middle East. He has not only outlived most of these rulers but has outlasted the many official and unofficial observers who, two decades ago, were confidently predicting his imminent downfall.

His longevity can be seen as resulting from a combination of circumstances, cultural, historical and political, which not only favored the development of an authoritarian ruler but also permitted the present Shah to become that ruler.

The Pahlavi dynasty, of which Mohammad Reza is *the second Shah, does not have a long history.* In 1925, the Iranian parliament granted the throne to Reza Khan, a general who four years earlier had been one of the leaders of a coup d'etat. But if the dynasty does not have the weight of years to support its right

to rule it does have an even more important weight of national tradition. Even in those periods when Persia* was in chaos, and this was frequently the case, somewhere there was a Shah. He was often of foreign origin but—like the later Caesars—he assumed the traditional authority associated with the office.

The tradition—the myth—of kingship has been stronger than any dynasty or any individual ruler. These could and did disappear as they became unable to hold the support of important segments of the population or as they failed to protect themselves and their territory against rivals. The Shah, however, remained. A key role in the persistence of the tradition of kingship has been played by a classic Persian poem, the *Shahname*, the Book of the Kings. Written by Ferdowsi in the 10th century A.D. the *Shahname* celebrated the heroic deeds of Iran's Shahs. Although both the Shahs and the deeds were mostly mythical, this mythology became for millions of Persians in later centuries the true history of Iran. The *Shahname* also marked the rebirth of Persian as a language of literature and culture after being eclipsed for three centuries by Arabic.

So, throughout the Iranian cultural area the deeds of mythical kings recited in Persian, even when the mother language was Turkish, Kurdish, Baluchi or any one of several other languages, became imbedded in the consciousnesses of generation after generation.

That there should be a Shah, then, became the natural order of things; who that Shah might be as an individual is of less concern.

Both Pahlavis have been concerned with establishing the legitimacy of the dynasty and their right to rule.

Mohammad Reza, perhaps realizing that the modern education he is pushing will eventually undermine the monarchical mystique, has devoted a significant amount of official propaganda to the thesis that the monarchy is essential, effective and the only institution capable of developing the country "the Iranian way" rather than the imported, foreign way. Such propaganda would have been inconceivable in an earlier age when the monarch's position as the Shadow of God on earth was undisputed. To the institutional argument the Shah has added the argument that he as a person has always defended Iran's interests from outside assaults and that he is uniquely qualified to do so.*

He is also building his own semi-mythological version of modern Iranian history in which he, from the very beginning, has struggled against nearly overwhelming odds, including opposition from the British, Americans and Russians, to secure Iran's independence and welfare.**

A. The Pahlavis

The dynasty's founder, at least in his earlier years, seemed to feel the lack of a respectable monarchical tradition and encouraged the creation of a mythical genealogy which alleged that he was descended from an early royal family. This was also reflected in the family name he chose; Pahlavi occurs often in the *Shahname* in connection with the deeds and attributes of the mythical monarchs.

Reza Shah had four wives—although not all at one time—in an ascending degree of social prominence from his first, probably a concubine whom he married in his early years, to a princess of the previous Qajar dynasty whom he married just as he was about to be declared Shah. His second wife, the daughter of a commanding officer of the Cossack brigade*** in which he served, is the mother of the present Shah.

Reza Shah, although a man of limited formal education, was intelligent and well-informed. He realized that his successor would face a more complicated world than he did and he attempted to prepare his Crown Prince for the throne he would someday ascend. Mohammad Reza received his primary education in a palace school with his brother and several other selected boys. At age 12, he was then

*In the mid-1930s, Reza Shah decreed that the whole world should call his country Iran—which its inhabitants had always done—rather than Persia which Europe had done since Alexander. The present Shah has reversed his father and permits both terms to be used.

*The Shah's claim that he is under divine protection—for instance in escaping two attempts at assassination—because he has a mission for his country is not, I believe, advanced cynically.

**A recent capsule version of this history is seen in the Shah's response to a question by Egyptian journalist Haykal, "All forces tested me in a difficult way. The British tested me in the Mossadeq crisis. The Americans tested me in the Amini crisis. Before that the Russians tested me in the Jafar Pishevari crisis and his attempt to cede (sic. probably seize) Azerbaijan from Iran."

***In 1878 Nasr-ed-Din Shah visited Russia. His escort there was composed of Cossacks and their appearance impressed him so much that he invited the Russians to send officers to organize a Persian Cossack unit. Until 1921, Russian officers commanded the Persian Cossack Brigade and the unit played an important role in support of Russian policy in Iran.

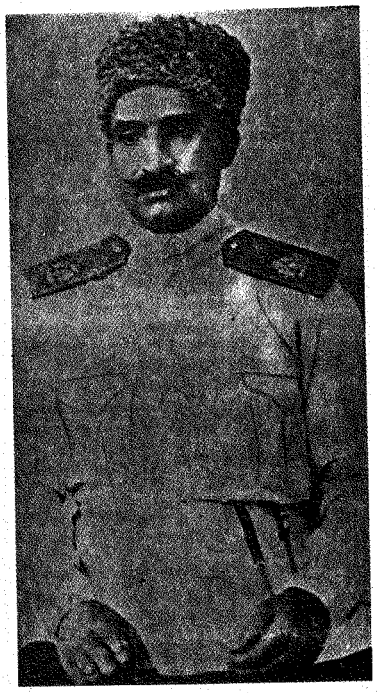


Figure 4. Reza Shah as a Cossack General

sent to school in Switzerland, with his brothers, two boyhood friends and a Persian tutor. It was here that Mohammad Reza received the fundamentals of the Western education on which he was to build in later years. Returning to Iran he attended the military academy and after graduation in 1938 he became, in effect, an apprentice to his father. Reza Shah was not a man one bandied words with and it is unlikely that the son did much more than listen. Reza Shah seems to have inspired both fear and admiration in his Crown Prince and he set an example which, it appears, the latter has since tried to emulate.

The apprenticeship did not last long. Reza Shah, in his drive to modernize and to squeeze out traditional British and Russian influence in Iran had turned to the Germans in the 1930s. Several thousand Germans were in Iran when World War II broke out and their presence provided the excuse for the joint British-Soviet invasion in the summer of 1941 which secured Iran as a safe transit route for supplies to the Soviet Union.

Reza Shah abdicated and the present Shah ascended the throne with the reluctant agreement of Great Britain and the Soviet Union which, it seems, had initially intended to eliminate the Pahlavi dynasty.

The opening of Mohammad Reza Shah's reign was unpropitious. Although Iran was nominally neutral it was occupied by foreign powers and would soon become an ally of the occupiers. Inflation, financial and commodity manipulation, food shortages at times verging on starvation and a chaotic political situation produced a turmoil that would have challenged the abilities of an experienced monarch. The established politicians, with Reza Shah's iron grip finally removed, were out to promote their own political and financial fortunes. At an early point the Shah apparently tried to emulate his father in dominating the politicians and there was even muttering of a royal dictatorship. This did not last long, however; Mohammad Reza was not the commanding figure his father was and, more importantly, he did not control any of the levers of power, except for the Army which was at that time so demoralized by its defeat by the British and Russians that it was useless in any power play by the Shah.

For nearly a decade the Shah appeared to be a weak figure unable and perhaps unwilling to act. He did sometimes take a decisive action e.g., when he took a strong stand against the breakaway province of Azerbaijan and, by military action, expelled its Soviet-dominated government in 1946. In this action he had, however, the support of a strong prime minister with the same aim and the backing of the US. The Shah—or at least the Court—was said to have been implicated in the assassination of two powerful military men who provided a threat to the Shah's position and the monarch always resisted strongly any attempt to remove the Army from his direct control.

In retrospect these years may be seen as formative—the time during which the Shah learned about his country and its power system. Equally

Figure 5. Crown Prince Mohammad Reza accompanies his father on an inspection

important, he learned a great deal about the rest of the world. He read widely and retained much; he seems to have depended in his early years on two advisers, Mohammad Ali Foroughi and Hossein Ala, both of whom ultimately served him as prime minister. Both were generally esteemed for their learning, their wide experience and, what is more rare, their lack of personal ambition. Neither, however, was an outstanding prime minister. The Shah also tried out his developing ideas in private conversations with foreign diplomatic representatives, primarily the American and the British ambassadors. The general trend of their advice, that the Shah should try to be a constitutional monarch, that he should reign and not rule, was a concept that in the end he found unworkable.

The vacillation and indecisiveness which he displayed during the first third of his reign can be seen as a conflict between his Swiss-acquired concepts of democracy fortified by well-intentioned advice on the one hand and a desire to emulate his father bolstered by the realities of Iranian political behaviour on the other. A prime minister weak enough to present no danger to the throne was incapable of spurring a lethargic bureaucracy into action; a prime minister strong enough to attack Iran's problems seemed to consider the Shah the first bastion to be reduced.

The Shah's apprenticeship ended with the Prime Ministry of **Mohammad Mossadeq** (1951-1953). Mossadeq combined a unique inability to get things done with a tenacious resolve to reduce the Shah to the status of a figurehead. His supporters contributed mightily to both. A heterogeneous collection of parties, cliques and individuals called the National Front,* they were united by only two things, a hatred for the British and an intense dislike of the Pahlavis. When members of this motley melange were not inveighing against the British they were attacking each other with equal enthusiasm. This disunity was ultimately a key factor in Mossadeq's downfall. The Prime Minister's main accomplishment, however, has

*The National Front coalition ranged the political spectrum from the moderate socialism of Allahyar Saleh's Iran Party to the religious reaction of Ayatollah Kashani's Warriors of Islam.

Figure 6. Major Events in Life of Mohammad Reza Shah

1919 Born in Tehran

1926 Reza Khan crowned Shah of Iran; Mohammad Reza declared Crown Prince

1932 Enters Le Rosey School in Switzerland

1936 Returns to Tehran; enrolls in military academy

1939 Marries Princess Fawziah of Egypt, divorced 1948

1941 Reza Shah abdicates; Mohammad Reza takes oath as Shah of Iran; Tudeh Party established in Tehran

1946 Russian Army withdraws from Azerbaijan

1950 Announces intention to divide lands among peasants

1951 Marries Soraya Esfandiari, divorced 1958

1951 Dr. Muhammad Mossadeq becomes Prime Minister; nationalization of Anglo-Iranian Oil Company

1953 Fall of Dr. Mossadeq; Shah reassumes power

1959 Marries Farah Diba

1960 Birth of Crown Prince Reza Cyrus

1963 Announces White Revolution; countrywide riots and demonstrations put down with force

1967 Formal coronation of Mohammad Reza Shah and Queen Farah

1971 Celebration of 2,500 years of Iranian monarchy

never been undone. The nationalization of the Anglo-Iranian Oil Company was a move on which every Iranian could agree. Once done, however, the less exciting task of resuming production proved impossible.* The Shah has since depicted the nationalization as an act for which he was personally responsible in spite of obstructionism by the National Front.

To reduce the Shah to a figurehead, or at least to the role of a constitutional monarch, it was necessary to remove the Army from Mohammad Reza's control. Mossadeq's attempt to do this precipitated his own downfall and created the conditions that permitted the Shah to assume the dominant position he holds today.

*This was not because of the technical incompetence of the Iranian staff who, in spite of British insistence to the contrary, probably could have done the job. Iranian inflexibility and British maneuverings in the international oil trade were the major reasons.

Figure 7. An early picture of the Shah

In August 1953, after months of political maneuvering that progressively weakened the Shah's position he determined on an action, which in the climate of the time was an act of near desperation—the removal of Mossadeq by a royal decree. He entrusted the Firman to the commander of the Royal Guard for delivery to Mossadeq. The Prime Minister refused the Firman and had the officer arrested, announcing triumphantly that a coup against him had been thwarted. The Shah, who had prudently withdrawn to a Caspian resort while this was going on, decided that he had lost the game and flew to safety in Rome.

Pro-Mossadeq mobs, buttressed by Communist Party organizers, poured into the streets tearing down statues of the Shah and his father, defacing public buildings and demanding that the dynasty be blotted out in favor of a republic. The violence of the assault

on the monarchy and the apparent strength of the Communists for once drew together the unorganized and hitherto inarticulate pro-Shah elements and within two days a reaction set in. Military units loyal to the Shah spearheaded a move against Mossadeq in which they were joined by thousands of Tehranis, some bought, but most participating spontaneously. Loyalists, whose voices had been muffled by the overwhelming cacophony of the Mossadeqists for three years, had their day. Mossadeq fled to be captured later, tried and sentenced finally to exile to his village. General Fazlollah Zahedi was appointed Prime Minister and the Shah returned to public acclaim.

Ever since that time the Shah has believed that the Iranian people have given him a mandate to act on their behalf. From that point he was increasingly confident. In the next decade he would clash with a few strong men but without exception he outmaneuvered and neutralized them.

Figure 8. The Shah's Reform Program proposed at a meeting of Iranian Farm Cooperatives in January 1963. Subsequently ratified by a popular referendum. Points 7-14 were added in later years.

1. Land Reform
2. Nationalization of forests
3. Public sale of state-owned factories to finance land reform
4. Amendment of electoral law to include women
5. Profit sharing in industry
6. Creation of a Literacy Corps
7. Creation of a Health Corps
8. Creation of a Reconstruction and Development Corps
9. Creation of House of Equity, i.e. rural courts
10. Nationalization of water resources
11. National reconstruction
12. Administrative and educational revolution
13. Sale of corporate stock to workers
14. Control of inflation

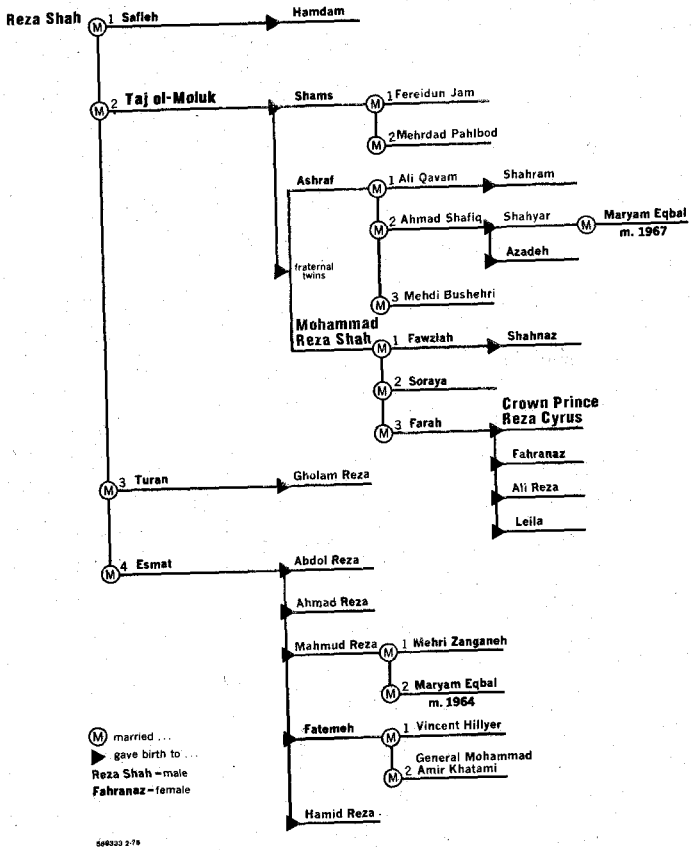
The announcement of his extensive reform program in 1963 was the culmination of the process by which the Shah gathered all power into his own hands and took a direct responsibility for Iran's future. In the years since then his programs, although probably falling short of the brilliant achievement portrayed in official propaganda have been sufficiently effective to set Iran on a new course of economic and social development.

B. The Royal Family

Reza Shah had 11 acknowledged children. Ten of them are still alive. They and their wives and children, the Shah's mother, plus Queen Farah and her mother comprise the Royal Family. The Shah's own household has provided him with one of his major problems for most of his reign. The Court was at one time a center of licentiousness and depravity, of corruption and influence peddling. The image may have softened somewhat, or is less the subject of common gossip, but the old picture remains in the public mind and some of the derelictions continue but perhaps with more discretion.

Two members of the Shah's immediate family seem to have had the most influence on him in the past. His mother, now an octogenarian harridan brought up in the harem, held the Shah in contempt in his earlier days as unworthy of her husband. She was frequently reported as plotting against Mohammad Reza to replace him with her other son Ali.* The Shah's twin sister, **Ashraf**, has a near legendary reputation for financial corruption and for successfully pursuing young men. Her more recent role as a supporter of women's organizations, rights and activities in Iran and in international forums has been largely the work of the Shah who probably not only wished to improve the general image of the Royal Family but also to put Ashraf's considerable energy and abilities to socially acceptable use. She has occasionally tried to use her position to build a personal political following, a move that has brought the Shah's displeasure. On the positive side, Ashraf's devotion to her twin brother has never been questioned and she was probably responsible for stiffening his backbone at critical junctures in the past. The Shah has been unwilling or unable to take effective action to curb the shady activities she and her son Shahram engage in. He may truly be unaware of the extent of such activities; the occasional attempt to point out her manipulations to him have sent him into a rage. Perhaps the natural closeness of twins creates a blind spot, although he is sensitive to her political intrigues. At any rate, the periodic anti-corruption campaigns which the Shah

*The Shah's only full brother, Ali Reza, was killed in a plane crash in 1954.



Note: Except for Reza Shah all marriages were serial and not concurrent.

Figure 9. Pahlavi Family
(Partial)

Figure 10. Princess Ashraf

Figure 11. Queen Farah

launches would have greater believability if he saw fit to publicly reproach Ashraf.

The rest of the Royal Family is a mixed bag. None have any abilities or following which could challenge the Shah, and they appear mostly engaged in private pursuits. The Shah's oldest half-brother, Gholam Reza, has an official military position but it is a sinecure. Others have semi-official protocol jobs. Abdol Reza, the one Prince who might have developed a competence and personality, has voluntarily withdrawn himself from the family circle and another one, Hamid Reza, has been drummed out of the family and is no longer recognized as a prince. He apparently had been in touch with General Timur Bakhtiar who in the 1960s was plotting against the Shah.

Queen Farah and her mother stand in sharp contrast to the Shah's family. The Shah married **Farah Diba** in 1959 after two previous marriages.* Both were unsuccessful from a dynastic standpoint; the only issue was a daughter Shahnaz, now 35, born to Fawzia, the Shah's first wife. Farah, who was 21 when she married the Shah, promptly fulfilled her primary duty of providing a Crown Prince **Reza Cyrus,** born in 1960. She followed this with another son and two daughters. Of almost equal importance, however, is the role she has come to play as Queen. More public spirited than either of the Shah's previous Queens, she plays a prominent role in promoting the Shah's programs and has been able to present a more constructive image of the monarchy than had previously been the case. The Shah's confidence in her ability was demonstrated when he arranged to have her designated as Regent if he should die or become incapacitated before the Crown Prince comes of age.

The Crown Prince is now 15 years old. In the last three or four years he has been getting more public exposure. His activities have been reported in the newspapers, he has visited the provinces and has made trips abroad. Reza Cyrus is being educated privately and it is not clear how much of a hand the Shah has in his son's training. The Shah has been careful about predicting too much for his son; "A king of the future will be able to do a great deal of good if

*The Shah was married to King Farouk's sister Fawzia from 1938 to 1948 and to Soraya, whose mother was German and whose father was an Iranian diplomat of Bakhtiari tribesman origin, from 1951 to 1959.

Figure 12. The Royal Family

Figure 13. Crown Prince Reza

he is willing. On the other hand, we are fixing things so he can do no harm."* Whether on the throne or waiting to ascend it, Reza Cyrus will have Mohammad Reza looking over his shoulder. (For more detail on Royal Family, see Annex A.)

E. The Court Entourage

Surrounding the Shah and the Royal Family is a large coterie of persons either holding official or semi-official positions on the staff of one or another member of the family, or simple hangers-on, friends or clients of the Court or one of its members. These persons range from the intelligent, capable and competent to the drones, sycophants and self-servers. Overall the balance is probably on the mediocre side.

Little is known about the majority of those who circulate around the princes and the princesses although a few, by reason of their notoriety, have come to the attention of official observers. The Shah's circle is much better known.

The Ministry of the Royal Court. This Ministry is the bureaucratic entity which houses all those officials serving the Shah and other members of the Royal Family. It is not considered a cabinet ministry. Although the precise organization fluctuates, the people remain pretty much the same. As of 1975, 30 persons headed various units of the Ministry of Court. Most of them also have staffs under them but, with few exceptions, there is no information on them.

Under the Qajars and earlier Shahs the entire governmental apparatus was considered the personal staff of the Shah. With the modernization of the government, starting under the Qajars and continuing to the present, bureaucracy moved out from under the direct control of the Shah. The need for a personal staff continued, however, and the Ministry of Court was the result.

Personal loyalty to the Shah, and reciprocally, the Shah's trust, has been the principal requirement for holders of any of these offices. This accounts in part for the longevity, the mediocre character of many of the incumbents, and the interrelationships of many of

*E. A. Bayne, *Persian Kingship in Transition*, New York: American Univ. Field Staff, 1968, p. 64.

the Court personnel. Many of Reza Shah's officials carried over into the present Shah's reign and served him for many years. Age has eliminated most of these but their newer replacements show every evidence of maintaining in turn the same sort of longevity.

Anyone seeking favors or influence is likely to do so if at all possible through some member of the Ministry of Court as even the lowest ranking person is apt to provide a better access than regular bureaucratic channels.

The average age of the top 10 officials of the Court is about 58. This is comparatively young compared to earlier court bureaucracies. The oldest (currently on the job) is 79 and the youngest is 40. Eight of the 10 have had some foreign education, two in the U.K., one in the US and the others scattered, Turkey, France, Lebanon and Switzerland. Some of the top 10 have been associated with the Court for more than 30 years.

The head of the Court bureaucracy is the *Minister of Court*, a title which seems to have been first used in 1941. This post has usually been held by a senior politician, respected, experienced and trusted. In the last 35 years all have been ex-prime ministers.

The present incumbent, **Amir Assadollah Alam** is one of the youngest. he was 48 when the Shah appointed him in 1966. His two immediate predecessors had been 75 and 68 respectively when they first held this office.

Alam has been associated with the Court and with the Shah since childhood. His family has been important in eastern Iran for generations.* It was subsidized by the British for a long time, a practice London followed in much of the area to protect the approaches to its Indian Empire.

Amir Assadollah was Minister of the Interior in 1952 at the age of 32, the youngest man ever to hold a cabinet position in Iran. In 1957 he formed, at the behest of the Shah, a loyal opposition party. He served for 20 months as Prime Minister, then became Minister of Court.

The Chief of the Imperial Special Office. A position also described as "Chief of the Shah's personal

Figure 14. Amir Assadollah Alam, Minister of Court

secretariat" and "Private Secretary to the Shah," is second only to the Minister of Court in importance and in some matters may be even more important.

The present incumbent, **Nosratollah Moinian** has held the job since the winter of 1966. He was a newcomer in the Court but not to the Iranian bureaucracy. He does not seem to come from an influential family since he earned a law degree in night school while working for the Railway Administration. Soon thereafter he turned to newspaper writing. During the Shah's dispute with Mossadeq, Moinian came out for the Shah. After Mossadeq's downfall, Moinian was appointed an assistant to the director of publications and broadcasting. He had the backing of two influential pro-Shah publishers and almost certainly the approval of the Shah. Moinian rose steadily through the hierarchy becoming a cabinet minister in 1964. He apparently became close to the Shah while he was directing the Shah's anti-communist press campaign in the late 1950s and early 1960s. When Rahim Hirad retired after many years in the post, the Shah showed

*See Annex B for more detail.

his appreciation for Moinian's efforts on behalf of the throne by appointing him to his present post.

There is no reason why Moinian should not hold this position for the rest of his life providing he remains on good terms with the Shah and the sensitivity of the position suggests that the Shah would not move him for frivolous reasons.

The Chief of the Queen's Special Office heads the private secretariat of the Queen, but it appears that **Farah** has not been able to choose her own candidate for the post. Her first secretary was Fazlollah Nabil, a professional diplomat, son of a diplomat and longtime friend of elder statesman, Hossein Ala who probably engineered the appointment.*

Farah's current secretary is **Karim Pasha Bahadori** who owes his position probably to Prime Minister **Amir Abbas Hoveyda** and/or **Princess Ashraf.** His major job seems to be to screen any petitions to the Queen to make sure that she has only a limited ability to take independent action, a practice which the Queen is aware of.

Bahadori is from a prominent Azerbaijan family which has long been influential in politics. He married into an important merchant-trader family. Neither family is of the national elite but both have been important in provincial affairs and their future seems assured.

The Inner Circle

The Shah's inner circle at present includes a dozen people who have official positions but whose standing with the Shah is totally dependent on his placing trust and confidence in them. They have the most influence with the Shah and they provide channels of access to important segments of the population. They are the first group in Fig. 15. Others are in the Shah's entourage but appear to serve a different function. The three senators in group two are best described as cronies of the Shah, and the three officials in group three may be considered candidates for the inner circle.*

The Shah's link with the military and security officials is through one of his oldest friends, Major General Hossein Fardust. He was one of those chosen to be educated with Mohammad Reza in the special elementary school established for that purpose. Little is known of Fardust's family background. His father was a sergeant—later promoted to captain—who probably was associated with Reza Shah in his pre-monarchical days; he might have been Reza Shah's orderly. Hossein Fardust accompanied the Shah to Le Rosey School in Switzerland and to the Military College in Tehran. Except for a brief period he has always held important positions and had great authority even though his military promotions have been at or near normal rate. Mohammad Reza may have used him as early as 1941 as a go-between with the German Embassy. Fardust is the long time chief of the Shah's Special Intelligence Office, he was concurrently deputy chief of SAVAK and at present heads the Imperial Inspectorate which functions as the Shah's watchdog over government operations. He is quiet, unassuming and meticulous in carrying out his duties. Fardust is well-off financially but is considered personally honest. In his own words, "Whatever I have, I have through the grace of the Palace."**

Dr. **Abdol Karim Ayadi,** the Shah's personal physician, appears to be the major channel through which the Shah dabbles in commercial affairs. He is also said to have been a childhood friend of the Shah. He was chief medical officer of the Imperial Guard Division and is a Lieutenant General. It is said that Ayadi even accompanied the Shah on his honeymoon with his second wife, Soraya. Ayadi was reported at one time as fronting for the Shah in the Southern Iran Fishing Company, an enterprise described by knowledgeable observers as a mass of inefficiency and corruption whose board of directors was filled with retired generals. The scandal involved in this business

*Nabil, now about 80, is currently in the largely ceremonial post of Steward to the Queen, and in charge of the Personal Bureau of the Imperial Princes. Nabil started his government career under the last of the Qajars and rose to several ambassadorships. He "maintained an unstained record of general respect and approval simply because he refrained from involving himself in controversial matters." More succinctly but less elegantly he was described as "a gutless wonder." USEMB Tehran A-530, 1 Apr 1964 (S/NOFORN)

*Bill indicates that a "small number of soothsayers and conjuror-dervishes still attach themselves to the Iranian elite and the royal court where they are not without influence." (Bill, James, "The Patterns of Elite Politics in Iran," *Political Elites in the Middle East,* ed., George Lenczowski, Washington: American Enterprise Institute, 1975, p. 25.) Official reporting does not touch on this at all and whether any of them have close and continuing contact with the Shah is unknown. It is likely that other persons with access and influence are unidentified.

**USARMA Tehran, 2846053564, 21 July 1964. Conf NFD

Figure 15. The Shah's Inner Circle

Fardust, Major General Hossein	Chief, Imperial Inspectorate
Alam, Amir Assadollah	Minister of Court
Ayadi, Dr. Abdol Karim	Shah's personal physician
Eqbal, Dr. Manuchehr	Chairman of the Board, NIOC
Hoveyda, Amir Abbas	Prime Minister
Emami, Hassan	Imam Jomeh of Tehran
Sharif-Emami, Jaafar	President of Senate
Zahedi, Ardeshir	Ambassador to the US
Moinian, Nosratollah	Private Secretary to the Shah
Khatami, General Mohammad Amir	Brother-in-law of Shah and Commander of the Air Force
Farah	Wife of Shah
Ashraf	Twin sister
Aalam, Jamshid	Senator
Davalu, Amir Hushang	Senator
Aqayan, Felix	Senator
Ansari, Hushang	Minister of Economics and Finance
Sabeti, Parviz	Director for Internal Security, SAVAK
Nassiri, Nematollah	Chief, SAVAK

was apparently so great that the whole company was reorganized and put under different management. Ayadi, a Bahai, is credited by one observer with being one of those who protects the sect against persecution by the more fanatical Iranian Moslems.*

Dr. **Manuchehr Eqbal,** a physician, is from one of the 40 national elite families. He provides a link between the Shah and various business and professional personalities. For more than a century the Eqbals have been powerful in the province of Khorassan. Manuchehr was a protege of Ahmad Qavam, the most powerful politician of the late 1940s. Eqbal has been Prime Minister, Minister of Court, and has held at least six other cabinet posts. He has been a parliamentary deputy, a senator, an ambassador, a civil adjutant to the Shah, and chancellor of the University of Tehran. He is at present Chairman of the Board of the National Iranian Oil Company. Eqbal is a competent administrator but has been described as a "consummate demagogue." When he became Prime Minister in 1957, he disappointed many of his supporters by being a complete yes-man for the Shah. From a personal point of view, however, this was a wise decision; his subsequent career has been notably successful. Eqbal's daughter, Maryam, married and divorced the Shah's half-brother, Mahmud Reza, and later married Ashraf's son, Shahyar.

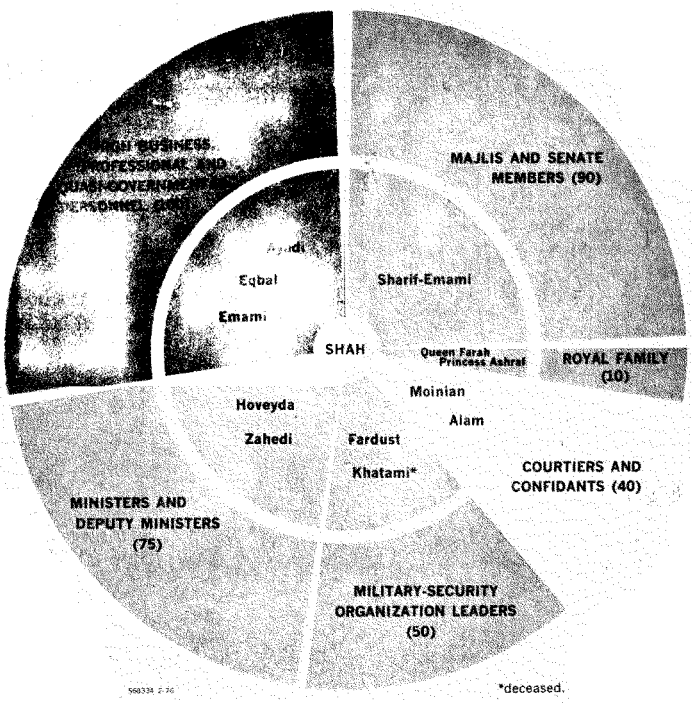
Amir Abbas Hoveyda achieved his membership in the Shah's inner circle when he became Prime Minister. A true measure of the Shah's trust in him will be to see if he retains his position in the circle after he is no longer Prime Minister. Since 1955, three of the four living former prime ministers who preceded Hoveyda have remained close to the Shah.*

Hoveyda is reported to be from a Bahai family, a fact which he would understandably wish to keep quiet. His grandfather, a tailor from Qazvin, is said to have been a follower of the founder of Bahaism and his father a secretary to the Bahai leader in Acre. This would account for Hoveyda's early education in Beirut. Hoveyda's father eventually entered the diplomatic corps and served in relatively minor posts.

*Devout orthodox Shiah abhor Bahaism as a dangerous heresy. In the past, mobs whipped up by preachers have attacked and killed Bahais. The security forces could prevent this now but in 1955, as a result of religious exhortations, the Bahai temple in Tehran was sacked. In the forefront of the attackers were the Chief of Staff and the Military Governor of Tehran.

*Only Ali Amini, 1962-1964, has been excluded; he was a political competitor of the Shah.

Figure 16. The Shah's Inner Circle



Note: Numbers in parentheses refer to total membership in each group.

Figure 17. Gen. Hossein Fardust, Chief of the Imperial Inspectorate

Hoveyda's career well illustrates the upward mobility possible in the Iranian system and one way in which it can be done.

Hoveyda, now 57, was a professional diplomat from 1944 after he finished military service, until 1958 when he left the Ministry of Foreign Affairs for greener pastures. Important to the future Prime Minister's career was his friendship with **Hassan Ali Mansur** and Abdollah Entezam when all three served in the Iranian Consulate in Stuttgart immediately after World War II.

Abdollah Entezam, from a family that was prominent in politics under the Qajars, achieved high diplomatic rank. When he left the diplomatic service to become Director of the National Iranian Oil Company—1958, he chose Hoveyda as his special assistant. Two years later in 1960, Hoveyda became a member of the board of directors of NIOC and was thus in a strategic position when Hassan Ali Mansur started forming his cabinet.

Figure 18. Gen. Abdol Karim Ayadi, Personal Physician of the Shah

Mansur, a member of one of the top 40 families whose father had been prime minister, served in a number of increasingly important positions after his Stuttgart days including Secretary-General of the High Economic Council and a cabinet ministry. He finally caught the Shah's eye as a safe establishment reformer and when he was appointed Prime Minister he turned to his old colleague Hoveyda to assume the post of Minister of Finance. Mansur was assassinated in 1965 and the Shah appointed Hoveyda Prime Minister. Thus, in a space of two decades with the help of two influential friends, Amir Abbas Hoveyda rose from a vice-consul to the second highest position in the country.*

Hassan Emami, the Imam Jomeh of Tehran,** is the major clerical figure in the Shah's retinue. By

*Hoveyda followed another familiar pattern in his marriage. In 1966, he married (and later divorced) Leila Emami-Khoy, a sister of Mansur's wife. The Emami-Khoy family is another of the top 40 families.

**Imam Jomeh is the government-granted title for the prelate who officiates at the main mosque in the major cities. There may be as many as 40 Imam Jomehs in the country. When without further modification the title usually refers to Hassan Emami.

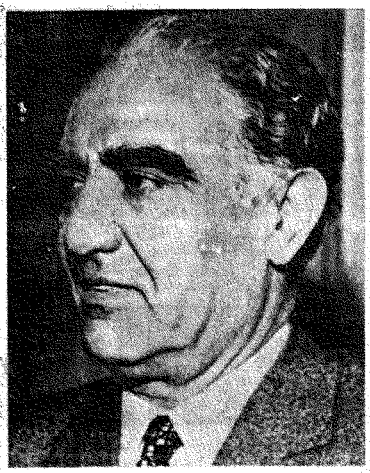


Figure 19. Manuchehr Eqbal, Chairman of the Board, National Iranian Oil Co.

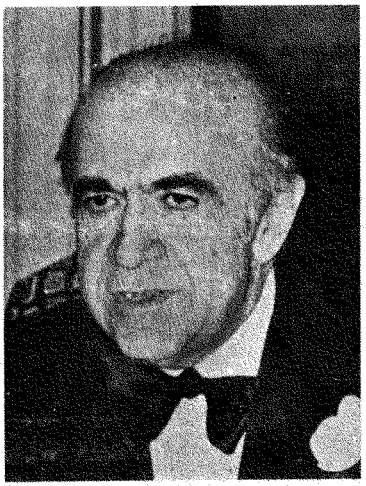


Figure 20. Prime Minister Amir Abbas Hoveyda

virtue of his position he has some religious and political influence but as a firm supporter of the Shah's regime he swings little weight with most of the clergy. He has always had extensive political connections, however, and it is primarily in this field that he is of most use to the Shah. He is now 72 and may not play his role much longer, but he is active and frequently sees the Shah.

Emami is a descendant of the Qajar royal family and both his grandfather and father held the post of Imam Jomeh before Hassan. As far as is known, however, Hassan Emami has no sons to succeed him. Emami had a traditional theological education but is not considered a first rate theologian or Islamic jurist. He does, however, have an excellent European education, an LL.D from Lausanne, and is much more familiar with European history and philosophy than the average high-ranking Shiah clergyman.

Jaal Sharif **Emami,** 65 year-old president of the Senate, is another veteran government official and politician, with some reputation for venality. He has extensive business interests, especially in the construction industry, although a conflict of interest law forbids this. He was a long time civil servant in the Railway Administration, at one time a key element in Reza Shah's modernization. He was trained as an engineer in Germany and was jailed during World War II for pro-German activities. He has held a variety of subcabinet and cabinet-level jobs. Sharif-Emami is generally considered responsible for leading the Soviets in 1958 to believe that Iran would be receptive to a non-aggression pact. It is possible that he was acting at the Shah's behest in an effort to persuade the US to increase economic and military aid. At any rate, although the Shah was said to have been embarrassed by the unexpected arrival of a high-level Soviet delegation prepared to negotiate a pact, the incident did not hurt Sharif-Emami's career; he was later chosen by the Shah to be Prime Minister.

The circumstances under which he came to the attention of the Shah are not known. Possibly he

played a role in restoring the Shah to the throne in 1953. He has a long association with the Rashidian brothers and his sister was married to the late Ahmad Aramesh. The Rashidian organization was influential in the anti-Mossadeqist and pro-monarchist movement in 1953 and Aramesh was part of their organization.

Ardeshir Zahedi, currently Iran's Ambassador to the United States, started at the top. His first government job, at the age of 33, was as the Iranian Ambassador to the United States (1960 to 1962).

He came to the Shah's attention in the course of the events which accompanied the ouster of Mossadeq in mid-1953. Ardeshir, who had been forced by Mossadeq to resign from his job with a US-sponsored rural improvement project, served as a liaison between groups of the Shah's supporters and his father, General Fazlollah Zahedi, who finally ousted the Prime Minister. After the fall of Mossadeq, the Shah rewarded Ardeshir by appointing him to the ceremonial post of civil adjutant. When General Zahedi fell from favor in 1955 and was sent into respectable exile as a roving Ambassador in Europe, Ardeshir temporarily disappeared from the Court but he soon returned and in 1957 married Shahnaz, then the Shah's only daughter. Three years later he was appointed Ambassador to the United States and after that Ambassador to the U.K. In both jobs he performed in a mediocre manner. He remained in the Shah's favor, however, even after his divorce from Shahnaz in 1964. He served as Minister of Foreign Affairs from 1967 to 1971 and then returned to Washington.

The Zahedis are from an influential former landowning family from Hamadan and had connections with at least two of the top 40 families, the Pirnia and the Qaraqozlu.

The Shah suffered the loss of one of his most trusted inner circle in September 1975 when General **Mohammad Khatami,** the Air Force chief and husband of the Shah's youngest sister, was killed in a gliding accident. Khatami, who had been the Shah's pilot when the monarch fled Iran in 1953, was generally believed to have been in a key position to influence events in the case of the Shah's demise.

The increasing age of the Shah's intimates—the average age is nearly 60—raises the problem of their replacement. With the possible exception of General Nematollah Nassiri, chief of the Security Organization (SAVAK), there appears to be no one on the scene who could play the same role as most of the present incumbents. The complete, if self-serving, loyalty they give the Shah may not be easy to find in a newer generation. Perhaps more important, the Shah might not feel the same degree of trust in newer associates as he does in the older ones who, when he needed them most, stood by him. The Shah then may find himself relying on a progressively smaller and aging group of advisers, well-attuned to the Shah but less in tune with needs of the country.

III. THE BUREAUCRACY

> "I consider the Shah more wise and more discerning and more knowledgeable in the details of affairs than all other beings. The alteration, transfer, adaptation, and ordering of affairs and officials has always been reserved to His Majesty alone and is still reserved to the dictates of the Exalted Will. If you find the present situation good, keep things as they are; if you find it bad, change them."
>
> (The reply of Nasr-ed-Din Shah's Minister of Finance to a request from the Shah that the cabinet try to bring order out of the bureaucratic chaos in 1881.)

A. The Uncivil Servants

The Persians have always had a bureaucratic tradition. The Achemenids and the later Sassanians had a sophisticated organization whose influence persisted after the dynasties disappeared; the governmental organization of the Arab empire in the centuries after the death of Mohammad owes much to the Persian expertise.

Repeated invasions of that area by Mongols and Turks shattered but did not destroy the Persian bureaucracy. Indeed the Turkish and Mongol chiefs once they had imposed their hegemony by force found it necessary, as had the Arabs before them, to call on the administrative skills and experience of Persian officialdom to rule their new possessions. This bureaucracy in general appears to have had no great difficulty in switching its allegiance and even when national government was in chaos as it frequently was, local officials continued to hold the line, waiting to see who their new masters would be.

The oriental bureaucratic tradition was embodied in manuals complied through the centuries by various officials as an aid in explaining to their illiterate and uncouth masters how a civilized government should work. This tradition held sway as late as the 1920s

although from 1850 on there was increasing import of European governmental styles. Under the Pahlavis, modern methods have been imposed, and new bureaucrats no longer learn from the old manuals. But old traditions die hard and the foreign-educated official trying, often vainly, to impose order on his unwieldy domain may be unaware that he is facing an institution far older than the Harvard Business School. He often loses the fight and becomes indistinguishable, except for dress, from his predecessor of a century ago, or he goes to modern industry where new traditions are being formed.

Today's Prime Minister and cabinet preside over a bureaucratic empire of more than three-quarters of a million white- and blue-collar workers. As with practically everything else, a major problem is finding people with the education and training needed to meet the increasing demands of the many new and accelerated programs under way in the country.

Figure 21 shows the development of the bureaucracy in the 16 years from 1956 to 1972.*

Figure 21. Total Government Employees

Year	1956	1966	1972	Percent Increase 1956–1972
Men	430,109	605,833	682,000	62
Women	30,678	56,831	92,800	202
Total	460,787	662,664	774,800	72

Only 18 percent of the white-collar workers are educated above high school.

The grafting of new administrative forms on traditional bureaucratic structures has not been a complete success. Government service has been prized as a relatively safe job in an economy where uncertainty has been the rule and as an opportunity to improve one's generally meager salary by accumulating bakhshish. Even the lowest ranking civil servant has considered his position a personal fiefdom and has jealously guarded the prerogatives that he or his predecessors have managed to accumulate. In this attitude he is little different from the tax collector of a century ago for whom tax records were personal property to be handed down to his son.*

Under these circumstances, persons wishing service from the bureaucracy have been well-advised to pay a "finders fee," to assure that an official's special knowledge and competence would be brought to bear on his case. The very low rate of official pay was in part predicated on the tacit assumption that unofficial supplementary income would be available. The rate of "tipping," however, has usually been negotiable and tailored to fit the circumstances. An office receptionist, himself of low rank socially, might, for a few cents, make sure that one visitor was given priority over others in seeing a higher-ranking official, if the visitor was of equal or lower position in the pecking order.** If the receptionist judged the visitor to be his superior he might accord him priority because of this but in return the visitor might well reward the receptionist with a tip.***

On a much higher level this system produced the kind of corruption which is frequently the target of the Shah's ire, primarily because it involves government funds. The sort of high-level corruption case that results in prosecutions, imprisonment or dismissal is used as an object lesson to discourage similar conduct on the part of others and as proof that the Shah does not condone corruption. Whether or not it accomplishes either object is an open question. The cynics, and they are in the majority, can point to a large number of unhung rascals who appear to be

*All figures are from the Statistical Yearbook 1352 (1973), Plan and Budget Organization, Iranian Statistical Center; Tehran, 1352 (1973), pp. 123-125 (in Persian).

*Mostowfi, "state accountant, tax collector" was a component part of several much prized Qajar titles. "The Accountant of the Realm," "The Accountant of the Sovereign," "The Accountant of the Nation." Mostowfi is a common family name today, usually signifying that an ancestor held one of these titles or functioned as a mostowfi.

**The traditional clues to social status are breaking down in Iran as Westernization spreads. Intuitive judgments are made on the basis of dress, the presence or absence of necktjes, a shirt with a collar, headgear, not only the type but the condition, traditional or Western shoes. Speech and demeanor play a role. An obviously rustic accent will usually get less consideration from the sophisticated (by definition) Tehrani civil servant than a more urban sounding accent. Deferential terms of address are expected but if the petitioner overdoes this it may be taken as a deliberate insult by the hearer. Subordinates generally assume a characteristic deferential position in the presence of superiors, real or fancied. Women may be more difficult to judge if they wear, as many still do, the traditional *chador*, a garment which covers them from head to ankle. Even so, clues may be gained from the type and condition of the material, and a glimpse of the footgear or the clothing beneath may help. The *chador* may cover a cotton print of an urban lower class woman, pants suit or miniskirt and high heels of a middle class or upwardly mobile aspirant, or the long-bloomers of a village woman.

***But this would be *Pishkesh*, a gift and not *bakhshish*, a donation.

immune, and personal or political vendettas may be as responsible for many prosecutions as official investigations.

The problem of extra-legal emoluments is, of course, not unique to Iran but in Iran it has become more institutionalized than is usually the case elsewhere. Today, there is much more money flowing through more hands than ever before and the opportunities for graft are correspondingly greater. Graft pervades the entire system in spite of periodic campaigns of the Shah to stamp it out.

B. The Cabinet

At the top of the bureaucracy is the cabinet. Under the constitution the two houses of parliament are given considerable authority over the cabinet. The Shah appoints the cabinet but under the constitution the ministers are responsible to parliament, must appear before parliament to answer questions if asked to do so and the cabinet or any minister may be dismissed by a no-confidence vote by a majority of either house. Although not legally required, both houses of parliament customary give a "vote of inclination" to a prime minister designate. In times of intense political activity this has had the effect of a vote of confidence. In current practice the Shah's cabinet choices are not questioned and if a minister were to receive a no-confidence vote it would be because the Shah wanted it.

Cabinet officers have always been drawn from a limited pool of talent and appointments have in the past been made more for political than substantive reasons. Rapid cabinet turnover has, until recent decades, been the norm and periods of maximum cabinet stability have been periods of minimum political freedom. In periods of instability, cabinet officers have been chosen more often for the influence they have had in certain segments of society than for the ability to do the job.

From the beginning of constitutional government in 1907 until 1975 there have been about 120 different cabinets but only 38 prime ministers. Two prime ministers each headed 11 different cabinets. One of these first held the post in 1922, the last time in 1952. The other one served off and on between 1910 and 1928. The average cabinet life has been about seven months, but one was as short as a month. At the peak of Reza Shah's autocracy cabinet life averaged about one and one-half years but one cabinet served with only slight changes for nearly five years. Prime Minister **Hoveyda** has now been in office for an unprecedented 11 years. There has been considerable turnover in cabinet personnel during this time but the character of the cabinet has changed very little.

In the past decade the Shah has not had an easy time assembling a team which combined technical competence and loyalty to himself. One can make a good case for the argument that the Shah's dominance could have come about only after the old generation of politicians had passed away and the younger, better educated generation had come to maturity. The old generation sought personal power and prestige through political position. The present generation of officials seems to seek the same goals through technical competence, avoiding the profitless attempt to win national political influence.

Nineteen different men have served Mohammad Reza as prime minister for a total of 26 different governments in the last 34 years. It was 20 years before the Shah could find as prime minister a man who had not started his career under Reza Shah. Mohammad Reza's first prime minister in 1941 had also been Reza Shah's first prime minister in 1925 and Ali Mansur, to whom the Shah turned in 1950 had also served in the same capacity for Reza Shah 10 years earlier. Nearly 15 years later, Mansur's son became prime minister. At least one politician, Ahmad Qavam to whom the Shah turned three times, had been prime minister under the last of the Qajar Shahs and even the prime minister who was to become Mohammad Reza's *bête noire*, Mohammad Mossadeq, had first served in a Qajar cabinet.

The present cabinet can be seen as a lineal descendent of a *dowreh* established by a former cabinet minister, Hassan Ali Mansur, about 1959. The nine men, drawn together by professional and social association, were a youngish group with an average age of about 37. They could be called establishment reformers with a strong component of political self-interest. Eight of them were foreign-educated, four of them in France. Except for Mansur,

Figure 22. Mansur's Original *Dowreh*

Mansur, Hassan Ali	Hedayati, Hadi
Hoveyda, Amir Abbas	Sotudeh, Fathollah
Sarlak, Mohammad Taqi	Shadman, Zia ed-Din
Kalali, Manuchehr	Nikpay, Gholam Reza
Khajenuri, Mohsen	

a private citizen but a former cabinet minister, all were middle level bureaucrats. Hoveyda was at the time special assistant to Abdollah Entezam, Chairman of the National Iranian Oil Company.

At least three others in the group, Kalali, Nikpay, Hedayati were from important, long established families and a third, Sarlak, had married into the Khalatbari family, one of the top 40.

Another member represents a familiar way of getting ahead, political opportunism. Mohsen Khajenuri* was once described by a colleague by referring to a story about Mollah Nasreddin. The Mollah, as a prank, started to tell people that gold coins were being given out at the other end of town. As everyone began to run in that direction the Mollah joined them, "because it is possible that the story is true."** He is of middle-class merchant background but his father was well enough known to be selected as a parliamentary representative of the Tehran merchants in the First *Majlis* (1906). Mohsen Khajenuri started his career as a bureaucrat in the Ministry of Labor in 1947 but had retired by the time he became associated with Mansur. He was an urban landowner and had independent means, probably inherited from his merchant father. Khajenuri was an early sympathizer of Mossadeq and the nationalist cause but after Mossadeq's fall he withdrew from any kind of political activity. He probably came into the group through his association with Kalali and Hedayati in labor affairs.

Within two years Mansur's *dowreh* became formalized as "the Progressive Center," with the purpose of conducting research into Iran's social and economic problems. It had expanded to some 200 people, engineers, professors and government employees in the 35 to 50 age group, mostly educated abroad and from well-to-do families. The majority had professional or personal ties with Mansur or with Hoveyda. It was not clear at the time that the organization had any future.

The future was provided by the Shah. He apparently regarded the group as competent but pliable enough to serve him as a political vehicle. The two political parties he had promoted had foundered through apathy and he badly needed a new vehicle to push the new programs which he had begun. By mid-1963, the Shah had made it clear that he was backing the Progressive Center. Members of the Center had started to talk of its political future and in December 1963 when it converted itself to the Iran Novin (New Iran) Party, no one was very surprised.

The Shah's direct interest was represented by two cabinet ministers whom he ordered to join the new party, Minister of Roads Nosratollah Moinian, later to become Chief of the Shah's Special Office, and Minister of Labor Ataollah Khosrovani, who stayed in the cabinet for another three and a half years—he had an eight year tenure in all. Khosrovani later became Secretary General of the Iran Novin Party and left the cabinet finally after a dispute with Prime Minister Hoveyda. He retained the Shah's confidence, however, and in mid-1974 he was secretly assigned by the Shah to restudy completely the Iran Novin Party with a view to reorganizing it. The report which he co-authored was probably in part responsible for the Shah's decision to dissolve the Party in 1975.

In March 1965 Mansur was appointed Prime Minister. The Iran Novin now numbered several hundred; all of Mansur's original *dowreh* were on its Central Committee. Six of the eight original members of the *dowreh* who remained after Mansur's assassination subsequently served as cabinet ministers, the seventh was appointed to the Senate by the Shah and the last served as Mayor of Tehran before finally retiring to private life. In mid-1975, Hoveyda, Hedayati and Kalali were still in the cabinet, the latter two as Ministers of State.

Three men in the present cabinet have served since Mansur's day, although not members of the original *dowreh*, Minister of Interior **Jamshid Amuzegar,** Minister of Agriculture and Natural Resources **Mansur Ruhani** and Minister of Culture and Art **Mehrdad Pahlbod.**

The average age of Mansur's cabinet in 1964 was about 46 years, five or six years older than immediately preceding cabinets. Hoveyda's first cabinets were about the same average age but slowly started to increase to the present average age of about

*No relationship to the elite Khajenuri family. Mohsen's family name was Shalforush, "the shawl seller." It is not known if Mohsen or his father changed the name. Such name changes have not been unusual either to avoid association with plebeian origins, to de-emphasize ties with a family which may have fallen into disfavor with the regime or as a result of family disputes.

**Biographic memo prepared by FSO Martin Hertz, 9 Sept. 1967, Secret.

51.* The Shah at 56 is now the "old man," in all respects.

With some exceptions all the cabinet ministers in the last 10 years have had graduate level training, most of them abroad.** Until mid-1967 the majority of the cabinet was educated in France but in the course of a major re-shuffle in October 1967 the American-educated came to the fore, with France remaining a close second. In the last two years, those with a mostly Iranian higher education have become more numerous and the French-educated run second, the US has moved to third place. It is not clear at this point whether or not this situation represents deliberate "Iranization," a theme that the Shah and his officials are increasingly emphasizing, or the availability of a growing pool of Iranian educated talent.

The Shah takes an active part in making cabinet appointments and changes. The reasons for changes are not always clear; some are for incompetency or ill-health, but others reflect the Shah's interest in cutting down empire builders who might become too influential or represent his attempt to keep various cabinet members at odds with each other in order to avoid dangerous coalitions. Some changes reflected personal conflicts and squabbling within the Iran Novin Party. At one time a major point of contention was between members of the Progressive Center closely associated with Mansur and the newer members of the Iran Novin Party. The replacement of Minister of Health Manuchehr Shahqoli by Anushirvan Puyan is said to have resulted from the latter's support of a national government health scheme proposed by Princess Ashraf. Shahqoli was a major proponent of the existing private health care system.

The reasons for the length of tenure of some of the cabinet members is not obvious, for others it is clearer. Minister of Culture Pahlbod obviously owes his position and tenure to his brother-in-law, the Shah. He is married to Shams, the Shah's older sister. Minister of Interior Jamshid Amuzegar has long been considered a favorite of the Shah. He served in the cabinet as early as 1958 and never joined a political party until 1975 when he, and every other politician, joined the Shah's new "Resurgence party." He soon emerged as leader of one of the two wings of the party which appeared at the Shah's behest. His appointment as Minister of Interior in early 1974 was officially explained as motivated by the Shah's desire to have a non-politician in charge of the ministry concerned with the 1975 elections. Predictably, it was also said that the transfer was to remove him from the positions of influence which he had attained in other cabinet posts and to build up a rival in the person of the new Minister of Finance Hushang Ansari. The two explanations are not mutually exclusive.

Mansur Ruhani appears to have established his position by his ability to get things done. He is considered a Hoveyda man who is also well-liked by the Shah, an unbeatable combination at present. He survived several policy disputes with cabinet colleagues, the most recent in early 1974 with then Minister of Cooperatives Abdol Azim Valian. Ruhani, the Minister of Agriculture, apparently was pushing for large-scale agricultural enterprises, such as agro-business ventures, to develop Iranian agriculture while Valian was arguing for more emphasis on rural cooperatives. Valian apparently lost this argument and was given a new job as Governor General of Khorassan Province. Ruhani prevailed in a similar disagreement in 1970 with the Director of the Plan Organization Mehdi Sami'i. Ruhani, then Minister of Water and Power, wanted his ministry to control all development of water resources including underground water and all related activity, such as land development, water and power, design of farms, water distribution, road building, etc. Sami'i felt the individual farmer should have jurisdiction over things directly affecting him. That same year Sami'i was transferred to the Central Bank. Additionally, in the April 1974 cabinet reorganization Ruhani appears to have picked up some additional responsibility for water resources. The presumption is strong then that the Shah's preferred path for agricultural development lies in the direction of large-scale

*The Turkish cabinet has shown a similar pattern. From 1961 to 1965, the average age of a cabinet member was about 51. In late 1965, the Justice Party came into power with a substantial parliamentary majority after several years of unstable coalitions. The average age of the JP cabinets was 46. Four years later it had climbed back to nearly 51. (Aram Nigogosian, "Changes in the Social Background of the Turkish Political Elites: An Examination of Ministerial Recruitment and Circulation from 1961-1970." Paper presented at the 7th Annual meeting of the Middle East Studies Association of North America, 7-11 November 1973, Milwaukee.

**The exceptions are Mehrdad Pahlbod and Hushang Ansari. Information on their educational attainments is so scanty and conflicting as to suggest an attempt at obfuscation.

operations rather than in the development of the small individual farmer.*

The Ministers of War and of Foreign Affairs are probably more figureheads than the others. The Shah takes a direct hand in the affairs of these two ministries and he may not even consult to any extent with the responsible ministers before he makes decisions.

The Minister of War has always been a senior general, six have held the post in the 22 years since Mossadeq's overthrow. The early ones had political influence and were from the military elite families who rose to positions of power under Reza Shah. Two of them had served with him in the Cossack Brigade. The later ones appear to have no particular influence and their cabinet position seems to be just one more military assignment in their total career. The Minister of War is likely to be the oldest member of the cabinet, the average age of the six is about 60 years.

Nine different men have held the post of Foreign Minister in the last 22 years, and three of these have been in the last decade. Ardeshir Zahedi, the Shah's former son-in-law and at present Ambassador to the United States, had the longest tenure, nearly four years.

An Iranian Foreign Office Undersecretary recently commented that the Shah often makes a foreign policy statement without any previous Ministry input. At that point the Ministry's only job is to devise ways of implementing the decision. Other information tends to bear out that this is the way much of Iran's foreign policy is made, and Ambassadors are usually careful to refer back to the Shah for instructions.

Whether or not the Shah intervenes as deeply in other ministries is not clear. It seems safe to assume Iranian oil affairs are under his direct control. It also seems safe to assume that those ministers who have served for long periods of time owe their tenure in some measure to their ability to interpret and carry out the Shah's programs without making a false step. One non-governmental Iranian source, speculating on the sources of the Shah's policy ideas, finally wondered if the Shah did not rely on a secret group of hired foreign advisers. This would enable the Shah to make policy without relying on any particular group of Iranians and enhance the Shah's image as a talented leader and statesman. The source was not prepared to accept that the Shah was a genius in so many unrelated fields; there was no known group to do policy planning and individual advisers did not take credit among their colleagues for having suggested plans to the Shah. Foreign input, therefore, was the only explanation the source could think of. This ingenious explanation is interesting primarily as illustrating the difficulty which even a well-educated and presumably knowledgeable Iranian has in explaining rationally the sources of Iranian policy.

The Cabinet, then, must be considered as primarily an implementer of the Shah's policy rather than a policy-making body itself. Although individual cabinet officers probably do contribute elements which go into the Shah's thinking, it would be as individuals that they have the ear of the Shah and not as cabinet members.

IV. PARLIAMENT

A. History and Composition

The first session of the lower house of parliament, the *Majlis* (*majlis-e-showra-ye-melli*, National Consultative Assembly) opened in October 1906. Since that time there have been 23 sessions of the *Majlis*. Until 1956 the *Majlis* was elected for two years but since that time the term has been four years.

With minor exceptions the *Majlis* has never operated under conditions which would be considered normal in a parliamentary government. In the first 17 years of its existence—1906 to 1923—the *Majlis* was in session six and one-half years. Only the fourth *Majlis* ended normally in 1923. For the next 18 years—the fifth through the 13th *Majlis*—parliament acted as a rubber stamp for Reza Shah. Elections followed one after the other in a near normal sequence but there was no significant opposition. After the Russo-British invasion in the summer of 1941 and the abdication of Reza Shah, electoral campaigns became primarily contests between vested interests in each constituency, with the government, usually the prime minister, exerting influence wherever possible through the Ministry of the Interior. During the period of the Soviet and British occupation these two powers had a strong influence in the choice of deputies from areas under their control. From about 1946 until 1961 the

*The direction and form of Iranian agricultural development in the next decade requires a detailed study. Tentatively, it appears the trend is toward consolidation and heavy government involvement which could evolve eventually in the direction of state-run farms of some sort.

Majlis sessions were marked by warring factions attempting to protect and promote personal interests. The few constructive measures that did manage to get passed usually died in the implementation. The outstanding exception—nationalization of the British-controlled oil industry—was so popular and easily understood that implementation was almost immediate. The result, however, was an economic crisis that was to have an effect for many years.

It was not until 1963, 40 years after his father brought the *Majlis* under control, that Mohammad Reza Shah finally was able to have elected a parliament which he could control *in toto*. In the last decade, the 21st, 22nd and 23rd sessions have played for Mohammad Reza Shah the rubber stamp role which the 5th through the 13th sessions played for Reza Shah. The newly elected 24th *Majlis* will play the same role.

The differing aims of the two royal dictators produced tame parliaments of different coloration. In both cases the primary requirement for a deputy was that he support the Shah's program. Any other qualification was irrelevant. Under Reza Shah agricultural reform had low priority. He therefore did not come into conflict with the traditional large landowners, except insofar as they were influential in the dynasty he overthrew, and the *Majlis* was landlord dominated. Indeed, new families who arose with Reza Shah solidified their positions by becoming landowners themselves. Had Reza Shah attempted to dispossess the landlords their opposition on the local level could have undone the work of centralization which he was attempting. A keystone of the present Shah's White Revolution was land reform which meant that landlord influence in the *Majlis* had to go. In retrospect it appears that Mohammad Reza's success was due as much to the decline in the power and influence of the landlord system as to his own determination. The landlords had been overtaken by history, Mohammad Reza Shah gave them the push which formalized their demise.

Parliament was traditionally dominated by landlords and disproportionately by members of the top 40 families. From the first through the 21st *Majlis* (1906-1967)* each of these 40 families average four deputies each. Figure 23 is a breakdown for the first 23 *Majlis* sessions according to claimed occupation. The information is unavailable for the last two assemblies. One category that certainly has disappeared formally is the landlords who by definition no longer exist.

Another characteristic of the parliamentary representation is the progressively higher level of education. Figure 24 indicates the educational sophistication of *Majlis* members from the first through the 20th legislative periods. The figures in this table refer only to modern as opposed to traditional, religious-oriented educational levels. One of the noticeable trends over the last half-century of Iranian legislative politics has been the increasing percentage of deputies who have modern as opposed to traditional educations.

In the early *Majlises*, an average of nearly 60 percent of the deputies were trained in the traditional manner. Today, less than ten percent come from such a background. Another trend has been the increasing percentage of deputies who have received their formal education abroad. One-third of the deputies of the 21st *Majlis* (1963-1967), for example, had received their higher education outside of Iran.

During the first Constitutional Period which included the first five *Majlises* (1906-1926), the average proportion of deputies holding college degrees was 18 percent. During the second period (1926-1941) which includes the 6th through the 13th *Majlises*, the percentage dropped slightly to 14 percent. But over the third Constitutional Period covering the 14th through 20th *Majlises* (1941-1963) the percentage of deputies with baccalaureate degrees and beyond increased to 36 percent. Comprehensive information is not available for recent deputies but a sampling of the information which is available suggests that the trend continues upward. The Iranian political elite then is an increasingly well-educated group. In terms of the basic issues of class and change, this reflects the fact that increasing numbers of the intelligentsia are being absorbed into the elite.

In the summer of 1960 elections were held on schedule for the 20th *Majlis*. Election-rigging was so widespread and obvious that the Shah annulled these elections. A few months later new elections were carried out. These were not free from irregularities either, but parliament assembled for business. Little was done. The country was in economic trouble but parliament, dominated by the landlords with 99 out of 176 seats, was unable to act. In this, however, they were no worse than the government as a whole. Ali

*Biographic reporting is not adequate to update to the present

Figure 23. Majlis Deputies According to Occupation

Legislative Assembly	Number of Deputies	1	2	3	4	5	6	7
1st 1906–1908	153	28	49	22	21	12	1	20
2nd 1909–1911	111	32	7	20	27	19	—	6
3rd 1914–1916	104	50	6	23	16	8	—	1
4th 1921–1923	105	48	8	18	26	5	—	—
5th 1923–1926	139	68	2	22	29	17	1	—
6th 1926–1928	136	63	6	17	31	6	2	1
7th 1928–1930	131	72	14	11	26	6	2	1
8th 1930–1933	125	73	14	7	22	8	1	—
9th 1933–1935	130	72	20	4	26	7	1	—
10th 1935–1938	124	72	19	3	28	11	1	—
11th 1938–1939	135	79	16	2	23	14	1	—
12th 1939–1941	134	78	16	2	22	15	1	—
13th 1941–1947	134	80	16	2	18	17	1	—
14th 1941–1947	134	76	15	2	24	15	1	—
15th 1947–1950	135	76	16	2	28	13	—	—
16th 1950–1952	131	76	8	—	34	14	—	—
17th 1952–1954	79	38	2	8	22	8	—	1
18th 1954–1956	134	80	14	1	25	14	—	—
19th 1956–1960	133	78	8	—	37	9	—	1
20th 1960–1961	176	99	8	1	54	14	1	2
21st 1963–1967	196	24	14	1	116	27	9	4
22nd 1967–1971	216	na*	na*	na*	na*	na*	na*	na*
23rd 1971–1975	268	na*	na*	na*	na*	na*	na*	na*

*Not available.

Source: *Iran Almanac*, 1972, p. 115.

1—Landlords
2—Businessmen
3—Religious Men
4—Government Employees
5—Employees of Private Institutions
6—Workers
7—Unknown

Figure 24. Modern Education* Levels of Majlis Deputies During Twenty Legislative Periods, 1906–1963
(In Percent)

	Qajar					Reza Shah								Mohammad Reza Shah						
Legislative Period	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Grammar School Education	23	15	12	25	17	22	26	32	30	33	34	32	36	22	24	25	10	26	20	16
Secondary School	12	10	2	6	13	4	4	9	9	6	6	6	9	13	15	15	12	13	16	25
Baccalaureate	15	17	13	10	12	9	9	9	10	5	5	6	6	17	20	15	24	22	27	28
Doctorate	4	8	4	2	4	3	3	6	6	8	8	7	8	9	11	13	14	11	20	20

*This is the secular education system as opposed to the traditional religious education that centered on the *maktabs* and *madressehs*. Many of the Deputies, especially those members of the earlier Majlises, had received traditional education.

Source: Zuhrah Shaji'i, *The Representatives of the National Consultative Assembly During the Twenty-one Legislative Periods*. (Tehran, 1965), p. 226. In Persian.

Amini was appointed Prime Minister in May 1961 but he apparently accepted the job only on condition that parliament be dissolved. This the Shah did immediately and for more than two years "executive decrees" substituted for legislation. There is no doubt that this interim was illegal. Article 48 of the Constitution requires that whenever the Shah dissolves parliament new elections must be held within one month and parliament must meet again within three months. What few complaints were raised were ignored. The executive decrees were presumably ratified in later years when parliament again was in session.

Although Amini had wanted the *Majlis* prorogued in order to have a free hand it was the Shah who made maximum use of the long recess; the White Revolution was announced and land reform in particular got underway. In January 1963 the Shah asked for a national referendum on his programs and received an overwhelming endorsement. A massive and carefully staged "Congress of the Movement of Free Women and Free Men of Iran," was held at the end of August 1963 and endorsed a slate of candidates to stand for election to the *Majlis*. The slate was ostensibly selected by the convention's steering committee but the list was actually drawn up by several task forces and was personally approved by the Shah before it was passed to the convention. There was little doubt in anyone's mind that this was the list to be elected.

B. The New Look

Elections to the 21st *Majlis* were held on 17 September 1963 and nearly all on the approved list were elected. A few last minute substitutions were made by the government when the approved candidate turned out to be completely unsuitable. The Consulate in Isfahan reported five such cases in its area; one approved candidate died before the election, another choice was so widely ridiculed (he was a farmer and candymaker) that he was replaced, another was found to have a Communist-tinged background. The reason for some replacements was not clear. At least one of the new choices was not "elected" until four days after the elections took place, apparently the length of time it took to tidy up the records.

Reaction to the choices was mixed. There was puzzlement as to the identity of many of the candidates. At least two provincial governors-general protested personally to the Shah that the foisting of so many unknowns on their local communities would cause trouble. On the other hand there was satisfaction that so many of the old notorious parliamentarians had disappeared; only some 18 veterans of previous parliaments showed up in the new one. Some oddities were elected, a national wrestling champion, with nothing else to recommend him, and a movie and TV actor who specialized in country bumpkin parts; he was probably the most authentic peasant in the widely-heralded peasants' parliament.

The new parliament suggested a break with the past. Eighty percent of the new deputies were between 30 and 50 years of age, 81 percent were serving for the first time, 69 percent were or had been government employees and 67 percent had university degrees.

Most of the new deputies had a modest technical competence in their professional fields of specialization—mediocre was the most frequent term the Embassy applied to them in its reports. The Shah's new deal for women was symbolized by the election of six of them over strong objections from the clergy. The women, three of whom were in the *Majlis* until 1975, were all from upper or near upper class and two were from top 40 families and related to the Royal family as well. (In the 1975 elections none of the original women deputies were re-elected but at least one made it into the Senate. Overall, more women were elected than previously, five from Tehran alone.) Other major identifiable groups were labor, civil servants and a mixed bag of professional/technical/business types. Little is known of the criteria for selection. A substantial number appear to be updated versions of the traditional types, suggesting that the same local interests which normally rigged the elections still have enough influence to get their candidates recommended to the Shah.

The Shah had succeeded in his major objective of obtaining a parliament which looked new, could be expected on general principles to support his programs and which contained no one with an independent following or the likelihood of developing one.

The next two *Majlis* sessions, the 22nd (1967-1971), and the 23rd (1971-1975) were much the same. Some of the more obviously unsuitable deputies were eliminated but many remained until the 1975 upset.

The Shah chose 1975 as the time for another major change in political alignments. Just as the elections for the 21st *Majlis* were preceded by the Shah's encouragement of a new political structure, so the elections for the 24th *Majlis* were preceded by the formation of a new party, the National Resurgence Party of Iran (*Rastakhiz-e-Mellat-e-Iran*).* In the former case the Shah was experimenting with the idea of a loyal opposition, in the latter case he is experimenting with the idea of a mass party to which all will pledge allegiance. Differing views on the implementation of the Shah's policies will be represented by two wings within the party, one led by Minister of Finance Hushang Ansari, the other by Minister of Interior Jamshid Amuzegar. Hoveyda remains as a supra-factional Secretary General.

The elections to the 24th *Majlis* produced a large crop of new faces to support the new party and the Shah's reforms. He has effectively broken up any independent power base which any deputy might have been building by reason of his longevity and re-emphasized that he is the only source of power and influence that counts on a national scale. The Shah has added two new points to his 12 point reform program, sale of shares in private and government-owned factories to the workers and fight against inflation, and these apparently will be the major tasks of the new *Majlis*.

C. Elections—True or False?

Iranian elections have nearly always been rigged. There was no consistent pattern in this rigging, at least until Mohammad Reza became dominant in the early 1960s. In any constituency the deputies elected usually represented the choice of the most powerful faction or persons in the area. This could be the major landlord or group of landowners, tribal chief or military commander. The government or the Court might carry weight in some constituencies and these two factors were frequently in conflict in the elections. A great deal of horsetrading was done both within constituencies and on a national level. In the *Majlis* itself deputies formed groups—generally called fractions—to support and protect local causes or promote the political fortunes of individual leaders. These fractions were usually fluid and short-lived. The elections did produce parliaments representative of the major interests in each constituency but not, of course, representative of the population, which at any rate had neither the ability nor the organization to articulate their interests.

After 1963, the Court, in the person of the Shah, emerged as the major power center rather than as one of several. The Court and the government were one rather than in conflict as often the case in the past. The two political parties claimed to represent popular interests; in actual fact they appeared responsive to most of the local special interests which formerly exerted power without the intermediary of the party.* They were free to do so only as long as they supported the Shah's reform program.

Information on the elections held in mid-1975 is still insufficient to be certain how, if at all, the situation has changed. "Safe" candidates were still pre-selected by virtue of the fact that local election commissions were given the initial job of choosing who would stand for election. It is hard to imagine that traditional forces did not frequently have an influential voice. In some areas prominent personalities who were not recommended by local boards complained bitterly to party headquarters and were told that local recommendations were not binding on the party's executive committee that made the final choices. In one case, at least, a candidate not recommended by the local board was a winner.**

An additional safeguard was provided by the screening of the proposed candidates in Tehran by SAVAK and a security committee. SAVAK, it is reported, listed the candidates in order of their desirability. How close the actual results followed SAVAK's recommendation is impossible to say, lacking the SAVAK report. Once the candidates were approved, however, a free, unmanipulated choice apparently was permitted. Reports of electoral irregularities have been few. To what extent competing candidates in a constituency represented traditional competing interests may never be clear, given the lack of information of local political dynamics. In some constituencies, previously dominated by large landlords, they retained or regained their influence.

*Had the Shah chosen an Arabic title for his new party it would have been Baath, a comparison which he would shun.

*Reporting both official and unofficial is too narrow to permit being dogmatic on this point but the conclusion comes from an examination of many of the individuals who were elected. See Annex B.

**Mrs. Qods Monir Jahanbani, wife of General Hossein Jahanbani, won one of the six seats from Shiraz. She is the mother-in-law of Prince Gholam Reza. The Jahanbani family, always close to the Court, ranks as one of the top 40.

Parliament acts primarily as a rubber stamp for the Shah. Yet it does debate, often acrimoniously, change, amend, logroll and engage in all the other politicking that marks more independent parliaments. Sometimes a deputy will, usually by accident, take a stance which collides with the Shah's wishes; his error is soon pointed out.

Majlis activity revolves mostly around details, of more or less importance, of how to best carry out the Shah's programs. The programs themselves are never questioned. Even though the basic charade is recognized by all, membership in the Majlis is sought. It provided some prestige locally, it usually brings one to Tehran where the action is and, with proper attention to the right people, can provide the deputy with entree to other government or business posts when he is no longer in parliament.

V. THE SHAH'S ARMY

An essential pillar of the Shah's position is his armed forces. As commander-in-chief he directly oversees the military establishment and it gets priority in funds and materiel. This has produced a large well-equipped armed forces who support rather than challenge the Monarch. It is basically a conscript force of something less than half a million men:

Army	270,000
Air Force	65,000
Navy	18,000
Gendarmerie	75,000
Other*	26,000
Total	454,000

*Imperial Household Staff, Infantry Guards Division and Joint Staff.

The total military budget in 1974-75 is estimated at between $3.4 to $5.0 billion. Military officers (there are 300 generals), because of the key role they play in maintaining the stability of the regime, have received special attention from the Pahlavi Shahs. But this was not the case before they came to power.

During the 150 year rule of the Qajars an organized military structure scarcely was conceivable. Although the presumption of military prowess was inherent in the patrimonial system by which the Qajars governed, the actual power available in the form of armed units was very small. The retainers of the Shah were expected to provide on demand the manpower necessary for any contemplated military action. In the latter part of the Qajar reign organized units existed mostly on paper. The officers "ate" (the Persian term) the funds provided for troops maintenance and the soldiers eked out a living as streetsweepers, peddlers, servants or beggars. Military engagements were primarily a matter of individual combat with the participants coming and going as they saw fit. Mostly they went. Disastrous defeats in the 19th century by the Russians and the Ottoman Turks who had somewhat more sophisticated organizations never seemed to disabuse the Qajar Shahs of the notion that only their presence on the battlefield was necessary to secure victory.

The formation of the Russian officered and trained Persian Cossack Brigade (later a Division) in 1878 marked a new departure in Iranian military history but it appears that Nasr-ed-Din Shah esteemed it more for its ceremonial appearance than for its military capabilities.*

The Iranians' experience with their armed forces has created a long-standing distrust and dislike between the military and the civilian population. Together with the tax-collectors, the military represented an intrusion by the central government in which the bulk of the population came off second best. Although today's army is more professional and less corrupt the traditional picture remains strong in the public mind. Some of the old style still remains—favoritism, special privileges and corruption—and it will be a long time before the military is accepted as a part of rather than apart from the population as a whole.

Reza Shah's policies required a modern, professional army; this he set about organizing as a first priority. It is from this beginning that today's army arose. Nearly all of the military men who entered the elite with Reza Shah had been associated with him in his cossack days or in the campaigns against the tribes in the 1920s. A number of these old comrades of Reza Shah remained to serve Mohammad Reza Shah and until recently played significant roles in Iranian political life. Some of their sons still serve.

More and more, however, it appears that the social class from which the officers are being drawn is changing.

Elite families were once heavily represented in the officer corps; such representation could help protect

*See footnote *** page 15.

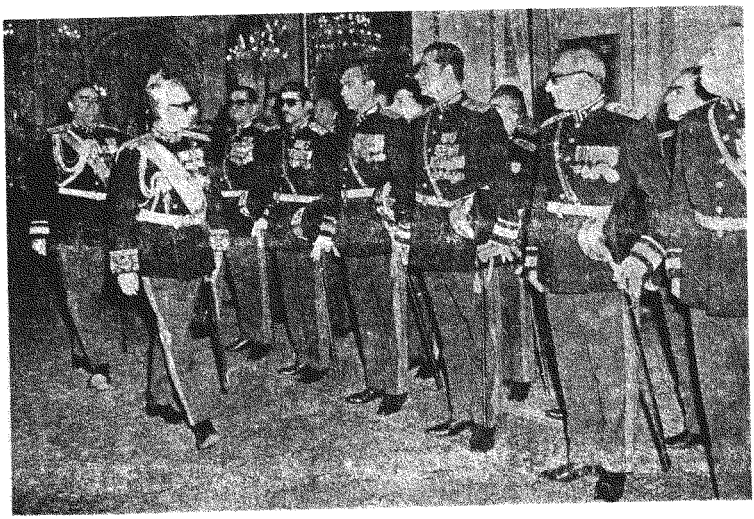


Figure 25. The Shah reviews his officers

the family and its interests. From the scanty evidence available, it appears that more and more men from the middle, and even the lower, classes, are coming into the officer corps.

In 1974, a source of the US military attache gave his view of the changes:

> "The social composition of the officer corps . . . is significantly changed from what it was a decade ago . . . in the past it was a mark of great honor and prestige to serve as an officer in the Iranian army. It was taken for granted that sons of military officers would follow in the same career as their fathers and prominent families avidly sought positions for their sons to serve as military officers. The entire officer corps was then made up of representatives of socially elite, wealthy and prominent families. This situation no longer exists in Iran. Now the sons of prominent families shun military service . . . careers in industry and business are now much more socially acceptable than they were previously . . . the material rewards offered by these fields are much greater than those offered in the military."*

*DIIR 6846 0128 74, 11 July Conf. GDS.

But almost a decade earlier, at the time when the attache's commentator saw elite families still prominent in the military, another observer was already detecting a change; a participant in a colloquium in France on the role of the military in the Third World noted:

> "The officer cadres have more and more a tendency to differ from the social classes from which they were previously recruited and that is a tendency as important as it is with us because it influences the mentality of the army. The conservative aristocracy after more than a century in the highest military posts is switching to industry and commerce, yielding place to officers eager for a renaissance and for social justice."*

The striking similarity of views separated in time by eight years, of the two observers, one an Iranian field grade officer, the other a French observer, suggests that important changes are indeed underway. Unfortunately, neither commentator

*Leo Hamon. *Le Rôle extra-militaire de l'Armée dans le tiers Monde*. Paris: Presses Universitaires, 1966, p. 193.

buttresses his arguments with the specific detail necessary to document the changes, nor is such information available in official US reporting.

The one overriding fact of Iranian military life is the supreme authority of the Shah. He is not only the commander on paper of the Iranian armed forces but in actual fact exerts this authority. His direction extends not only to policy but to responsibilities which in other systems are delegated to subordinates. He personally approves officer promotions down to the field grade level, makes decisions on the acquisition of major weapons systems and other military hardware, sees to the disposition of troops and in general functions as the commanding officer. Certainly he must look to his senior officers for information and advice. His method of operation provides for multiple, and preferably competing sources, but, as in other spheres, the military commanders' function is to carry out the Shah's wishes. The Shah has been most solicitous of his armed forces, especially his officers, providing subsidized housing, relieving them of income tax and providing tuition-free education for children, all of this adding up to substantial fringe benefits. In return he demands complete personal loyalty, compliance with his military directives and professional competence.

Political generals—once a major thorn in the Shah's side—have been all but eliminated. The Shah has always been sensitive to the attempt of any military officer to build an independent following, but he has had to turn to strong military men in times of high tension, notably General Ali Razmara in 1951 and General Fazlollah Zahedi in 1953. Both served him as prime ministers, he quarrelled with both and both were eliminated, Razmara by assassination and Zahedi by being exiled to Europe as Ambassador-at-Large.

Again, in 1961, the Shah found it necessary to eliminate three strong and corrupt generals who had built considerable personal followings, National Police Chief Alavi-Moqadam, the Chief of Intelligence for the Joint Commanders Staff Haj Ali Kia, and SAVAK Chief Teimur Bakhtiar. Alavi-Moqadam and Kia retired, the latter becoming more wealthy as a businessman than as a general. Bakhtiar, with greater political ambitions, was exiled to Europe, went in active opposition against the Shah and was assassinated in Iraq in 1970.

Long and faithful service to the Shah has not been a sure road to security. It is not always easy to distinguish between personal ambition and professional missteps as reasons for the Shah's dismissal of any particular officer. In the last 14 years there have been four chiefs of the Supreme Commanders Staff (SCS). They are tabulated below together with the most likely reason for their dismissal:

Abdol Hossein Hejazi	1961–1965	Illness.
Bahram Ariana	1966–1969	Urged strong military action toward Iraq, Shah disagreed.
Feridun Jam*	1969–1971	Wanted more authority than Shah prepared to grant.
Gholam Reza Azhari	1971–	

The Commanders of the ground forces show a similiar pattern:

Reza Azimi	1961–Sep 1966	Illness.
Ezatollah Zarghami	Sep 1966–May 1969	Abrupt replacement interpreted as sign of Shah's dissatisfaction, no specific reason.
Fathollah Minbashian**	May 1969–Nov 1972	Ignored difficulties arising from modernization of armed forces.
Gholam Ali Oveisi**	Nov 1972–	

Other high-ranking officers have been fired for clear professional lapses:

General Palizban, Chief of Counterintelligence, SCS	Failure to detect Soviet espionage ring in Army.
Lt. Gen. Farokhnia, Commander, Gendarmerie	Corruption.

*A former brother-in-law of the Shah.
**Classmates of the Shah at the military academy.

On the basis of these examples it seems clear that the major reason for dismissal has been crossing the Shah. Inevitably, the Tehran rumor mill has it that in nearly every case of such dismissal the Shah has been worried about an overly ambitious officer. This could well have been a contingent reason in some instances. There is little solid evidence that any had succeeded or even tried to build a political following, but several because of their competence, leadership ability or popularity in the armed forces, did have a potential. From the Shah's point of view it would make sense to eliminate an officer who had shown too much independence and who was in a position to create a personal power base.

The degree of the Shah's displeasure is indicated to some extent by the subsequent fate of those dismissed. Leaving aside those retired for illness, both of whom were given ceremonial positions, Ariana was retired without a new job, but did receive an elaborate retirement party hosted by the Army; Jam was appointed Ambassador to Spain; and Minbashian retired without ceremony. The derelictions of Palizban and Farokhnia are more clear. Palizban learned of his dismissal when the Shah refused to see him at a routine meeting;* Farokhnia was jailed.

A last case is instructive. General Hassan Pakravan succeeded General Bakhtiar as Chief of SAVAK. A scholar and gentleman in the French style, and a hard drinker, he was a soft-liner in his approach to dissidents. During the 1963 riots, Pakravan's soft approach failed and the demonstrations got out of hand. The Shah called in Police Chief Nassiri who put down the riots with brute force. Pakravan was subsequently removed from SAVAK and made Minister of Information and finally was Ambassador to France for many years. He now has an honorary position as counsellor to the Royal Court. In this case the failure of Pakravan's policy, although extremely serious, called for a milder punishment because the Shah himself had initially concurred in it. But even a serious lapse can be forgiven. In 1965, an attempt was made by a conscript member of the Imperial Guard to assassinate the Shah and he narrowly escaped death. Captain Seyed Mohsen Hashemi-Nezhad, Commander of the Guard, and responsible for the Shah's security, went to the Shah in tears and offered to resign only to be told that he was blameless and should stay on. Hashemi-Nezhad remained in the post several more years before he was appointed to the ceremonial post of Chief of the Shah's military household.

A few officers have long tenure in their positions. Some reasons can be adduced but they explain only in part.

Gen. Mohammad Khatami, CG IIAF, 1958-1975*
Gen. Hassan Tufanian, Chief Military Industries Organization, 1967-
Gen. Nematollah Nassiri, Chief, SAVAK 1965-

Khatami and Nassiri both had connections with traditionally influential families, probably not a key element in maintaining a relationship with the Shah, but certainly an element which helped them to attain their positions.

Khatami and Tufanian were pilots, as is the Shah. Khatami and Nassiri played important roles in the overthrow of Mossadeq and the Shah seems to take that into account. Farokhnia, however, also played a role in the same episode and it did not save him. The Shah may have faced a dilemma here. Farokhnia's corruption was turned up as a result of an investigation by the Imperial Inspection Organization headed by Gen. Fardust. Farokhnia's support of the Shah in 1953 might have been expected to have won him lenient treatment. Fardust's standing with the Shah, however, and the support the Shah has given to the anti-corruption campaign outweighed the earlier service.

Khatami was a brother-in-law of the Shah, but Jam has also been, and Nassiri married one of the Shah's ex-mistresses, as had Jam.

A fuller explanation of the Shah's treatment of his officers must be sought in the functioning of the patrimonial system. The Shah, as the source of power, rewards and punishes as he sees fit and a rationale is not necessary. An officer in disfavor may be completely in limbo or gently eased into retirement. Since one's fate cannot be predicted, care in avoiding a misstep and the ability to interpret the Shah's wishes accurately become virtues.

The system might have been expected to produce nothing but mediocre "yes-men." This does not seem

*Khatami was killed in an air accident in September 1975.

*[illegible] elections, Palizban emerged from the doghouse and was elected Senator from Kermanshah. This would have required the Shah's approval. So, while Palizban was punished for a serious professional shortcoming he was subsequently rewarded for his long and devoted service to the Shah and the unlikely possibility that he might become an active opponent of the Shah was foreclosed.

to be the case. The top command in recent years has generally received good marks for competence from their American counterparts.

The senior officers in the Iranian armed forces are a career-oriented, increasingly well-trained group. Most have some military training in the US, with France a close second. All speak either French or English, many both. The social origins, although information is fragmentary, seems to be increasingly middle and even lower class; but a few are still from traditional elite families or have connections with such families.

The pattern is likely to be similar in the future. Although the Shah probably aims at "Iranization"—all officers trained only in Iran and by Iranians—it will be many years before he can accomplish this. American training will continue to be predominant so long as political factors make it possible. If the apparent trend toward generally lower class or lower middle class origin for officers continues, there may be some impact on the attitudes of lower and middle grade officers. The surveillance maintained by the security services is likely to work well enough to weed out genuine troublemakers early in their careers. By the time the officers reach the higher ranks they are likely to become so institutionalized that they fit into their proper place in the Shah's system.

Unlike many developing countries, in Iran the military is not the exclusive possessor of modern skills, management expertise and foreign exposure. There is less of an impetus, then, for the officer corps as a body to develop the feeling that only the military can "save the country." Any successor to the Shah will need military support but the military does not seem likely to play a political role as long as the Shah lives.

VI. THE RELIGIOUS COMMUNITY

> "If you see us mourning it is because we want to show our sincerity toward Imam Husain because we know him as an Imam who fought against tyranny and oppression by God's order. We cry today because we don't want to give up to tyranny. We beat our heads and our chests because we don't want to go under the pressure of dictatorship or accept coercion . . . we have been crying for 1,000 years; it doesn't matter if we cry for another 10 million in order to bring justice against tyranny. (A leading clergyman in the Tehran bazaar)

The Shah considers himself to be religious and claims to be under divine protection. He makes the pilgrimages to the holy places and has contributed expensive gifts to Mecca and to shrines in Iraq and Iran. He considers that religion should work in the interests of his reforms, however, and fiercely rejects, as did his father, clerical claims to secular power.

Consequently, the Moslem clergy in Iran are among some of the Shah's fiercest critics. Deprived of any official forum for their grievances, the clergy attack the Shah and his regime through sermons, publications and religious observances. A popular and emotional theme is to compare the Shah implicitly, and sometimes explicitly, with the tyrant Yazid who, in the 7th century A.D. was responsible for the murder of the Imam Hossein.* This incident of Shiah** religious history is the core of popular Islam as practiced in Iran and it is kept fresh in the memory by the depiction every year in hundreds of locations by dramatic performances depicting in detail the massacre of the Imam Hossein and his family.***

Religious opposition has not been directed solely at the present Shah, although the clergy has particular reasons for detesting the Pahlavis. Ever since Shiah Islam was established as the state religion in the 16th century the *ulama* (the Shiah clergy) opposed each succeeding monarch. Their opposition has a theological basis, for in essence Shiah Islam considers all temporal rulers as illegitimate. Legitimate guidance in human affairs can come only from the *mojtaheds*, religious leaders who are the representatives on earth of the Imam—God's spokesman—and the sole source of authority. Each Shiah is required to follow the teachings of a *mojtahed*. Applying this doctrine to the Shah and other governmental officials, the clergy's view is that the state should ultimately be no more than their executive arm.

Other factors have served to strengthen the clergy's hand. The major Shiah centers are in Iraq and thus beyond the immediate reach of the government in Tehran; the clergy has had control of large sums of money, derived from religious tithes that is not subject

*This comparison was also used effectively by the clergy against the Qajars.

**The Shiah sect, recognized in the constitution as the official religion of Iran, is also found in parts of Iraq, Lebanon, Pakistan. The differences which separate the predominant Sunni Moslems from the minority Shiah go back to religio-political disputes which arose after Mohammad's death in 632 A.D.

***The emotional impact of these performances is intense, even among some of the more sophisticated and can be compared to the impact that a depiction of the Crucifixion had on medieval Christians.

to government control; and until recent times, the clergy had almost exclusive control of law courts and education. The clergy, itself fiercely xenophobic, has also been prominently identified with popular anti-foreign causes. The *mojtaheds* had been held in high regard by most Iranians, if not the most influential, and have developed close ties with the guilds and bazaar merchants, groups that have also felt themselves to be victims of the political elite.

The *ulama* reached the peak of their influence in the 19th and early 20th centuries. They were instrumental in persuading the Shah to launch the second Russo-Iranian war in 1827, and in 1872 they forced Nasr ed-Din Shah to cancel a concession to the British and dismiss the reform-minded prime minister who negotiated it. Late in the century they led a successful mass movement against another British concession, and in 1906 they formed an unlikely coalition with political radicals to force a constitution on a reluctant Shah. More recently, religious leaders were prominent in agitation against the Anglo-Iranian Oil Company in 1951-53, and they have been constant and virulent critics of the Shah's reform programs on the grounds that such reforms violated religious principles. Bloody riots in the summer of 1963 resulted from the government's attempts to silence a clerical critic. For the last decade several incidents have involved religious leaders and students. The most recent anti-government demonstration in early June 1975 at the religious city of Qom resulted in the arrest of 270 persons.

Detailed information on the clergy is not available. There are perhaps 100,000 clergymen ranging from the *mullah*, the lowest clerical post, to the *mojtahed*. There are, in addition, para-religious personnel, such as prayer writers, chanters and Koran readers. A few years ago, annual income for property controlled by the clergy was estimated at $30 million, and this was in addition to alms for which no estimate is available. One prominent *mojtahed* distributed about $200,000 a month to clergymen dependent on him, to support religious students, and to provide food for the poor.

Probably no more than 10 percent of the clergy receive government support and can be counted as outright supporters of the Shah. They are probably the least influential of the clergy and are considered by many to be no better than government employees. Probably 50 percent are in outright opposition to the government and are wholly dependent on their popular following for support; this includes nearly every religious leader of any stature. The remaining 40 percent qualify as fence-sitters, maintaining a popular following but avoiding overt attacks on the government.

Every monarch has had to come to terms with the religious leaders. Until the Pahlavi period, the clergy generally were able to exert great pressure on government. Reza Shah, in his drive to centralize power and modernize Iran, would brook no opposition and moved directly and forcefully to eliminate the political power of the *mojtaheds*. Mohammed Reza Shah, of necessity, has followed much the same course. Ayatollah Ruhollah Khomeini, whose arrest touched off serious riots in 1963, was forced into exile in Turkey and later into Iraq. Other clerics have been held under house arrest, and at least one is reported to have died in prison. As in other cases, the Shah holds out the promise of rewards for cooperation together with the near certainty of harsh punishment for opposition. On the whole, the clergy seem to have bent less than other elements of Iranian society.

For the Shiah clergy there is no reform in religion or religious dogma but only purification, adaptation or reformulation. The *mojtaheds*, still have the right of individual interpretation; this has permitted the clergy to meet some of the challenges of modernity. Four times between 1926 and 1941 the Shariah (Moslem legal code) was modified and the civil code of 1928 represented a compromise between Shariah and European law. The family protection law in 1967 finally was acceptable after religious leaders were consulted. The enfranchisement of women was strongly opposed by the clergy and, although the government originally capitulated to clerical pressure it subsequently went ahead, ignoring clerical protests. The religious community, however, is no longer given even the pretense of consultation and those in authority who are charged with making and implementing programs are so secularized as to consider religion irrelevant to their needs.

The theological and philosophical basis of religious opposition to the regime, if it remained on that plane, would be harmless to the government. But in the present situation this theoretical underpinning translates itself into several concrete assertions:

a. The Shah is establishing a totally secular society, thus destroying Islam.

b. He is supported in this by the United States and the Zionists, both of whom also want to destroy Islam.*

c. In addition, he is surrounded by Bahais whose major interest is also in destroying Islam.** The fact that the two major Bahai centers are in Israel and the United States adds to their mistrust.

The bulk of the clergy, and most of their devout following, would probably subscribe to these positions. They do apparently differ on how to meet the challenge.

The clergy are not a homogeneous mass, and several tendencies can be identified. For the present, four groups, not necessarily mutually exclusive, can be looked at, the traditionalists and the modernizers, the silent and the violent.

By far the largest group of clergy are **traditionalists.** In their training and outlook they are medieval men. Although their *mojtaheds* have the right of interpretation the scope of individual initiative and judgment is still bounded by the precepts established by the early theologians. Their studies, which may commence as early as six years of age and continue until death, include the Koran and its commentaries of the 8th to 12th centuries; traditions of the prophets; religious law, which includes all aspects of man's relationship to society and the government; early Greek philosophy as filtered through the Arab and Persian mind and Arabic language and literature. A course of study may also include traditional mathematics based on Euclid and Ptolemy. The students still sit at the feet of their teachers and memorization is the rule.

The best of the traditionalists are deeply learned men, esteemed not only for their learning but also for their piety and their superior ability "to enjoin what is good and to forbid what is evil." But their intellectual world, which once encompassed all a Moslem needed to know, is now only a sliver of the world they actually live in and this realization is coming slowly to some.

The **modernizers,** and there are few, do not reject tradition nor traditional studies. Rather they attempt to re-state traditional doctrine and beliefs in modern terms which will appeal to rather than repel the growing numbers of educated, primarily urban, Iranians who are no longer attracted by the traditional approach. The graduates of the Tehran University Theological School are somewhat apart. The school was founded by Reza Shah in an attempt to break the monopoly of the traditional religious establishment. He only partly succeeded. Graduates of the school are for the most part not accepted as true clergymen and in fact few become clerics or preachers. They go into government service as teachers of religion, Arabic, literature, or occasionally into other professions. At one time the chief of protocol for SAVAK was a graduate of this school.

A policy being followed by some prominent *mullahs* is that of **"silence,"** in relation to secular authorities. It is summed up in a phrase attributed to one of them; "Our duty is to advise, not to fight." This policy would avoid confrontation with the authorities in the interests of preserving the religious institutions and its leaders. Both traditionalists and modernists are found in this group. It is likely that many of those religious leaders seen as fence-sitters or as silent opponents of the regime are in fact adhering to this policy.

The **violent** may be only a small proportion of today's clergy (including theological students) but they present a danger out of proportion to their size. Religiously based terrorism is a well-established feature of the Moslem world. The medieval assassins had their headquarters only a few miles from Tehran and in the decade from 1946 to 1956 the Fedayan Islam was responsible for at least three assassinations and three attempts, including one on the Shah. In 1956 the leadership of the Fedayan was executed by the security forces but groups still identifying with the Fedayan continued for many years.

The violent strain in Shiah Islam is represented today by the so-called Islamic-Marxists, an unlikely coalition as the Shah and government spokesmen often point out. This combination apparently came about, however, as a result of several things; a deliberate attempt by some anti-government ideologists to construct a philosophy that could be subscribed to by any oppositionist; the intense frustration of many of the religious elements who saw in all the Shah's actions the intention to destroy religion; and the willingness of the communist-derived

*For many Moslems the Crusades still live and the motivations of the Crusaders are seen as still the dominant factor in Moslem-Western relations. (See e.g., Ghulam Ali Chaudry, "Crusade-Complex," *The Journal of the Moslem World League* (Mecca), Vol. I, No. 10, July 1974, p. 7-16.

**See footnote page 25.

The Shah

Figure 26. . . . as he would like to be remembered. (Pilgrimage to Mecca)

. . . as his enemies see him. ("The Deranged Hangman")

groups to accept the cooperation of the religious types in the interests of overthrowing the Shah.*

The organization known as the *Mujahadin-e-Khalq*, The "People's Warriors,"** has been given the blessings of Ayatollah Ruhollah **Khomeini,** who for a decade has been carrying on his campaign against the Shah from exile in Iraq. The *Mujahadin* derives, through several intermediate organizations, from an element of the post-Mossadeq National Front.

The spiritual predecessors of the present *Mujahadin* are Engineer Mehdi Bazargan, a University of Tehran faculty member and Ayatollah Mahmud Taleqani, a prominent cleric, both deeply religious and longtime opponents of the Shah. They were leaders in the organizations which preceded the present *Mujahadin*. They do not seem to be active leaders of the current organization—they are under constant surveillance—but the orientation and the activities they espoused 10 years ago seem to have come to fruition. The violent action, which they urged but were unable to carry out, has now been made possible by a much more professional approach to the business of revolution. Access to the experience and training of foreign terrorists has probably made the difference. The terrorists are both male and female, generally in their twenties and are usually college students or graduates. The technically trained appear to be prominent among them accounting, perhaps, for the increased sophistication of their bombs. Clerics or religious students do not seem to have themselves participated in bombings or assassinations.

Ayatollah Khomeini probably should not be considered the leader of the *Mujahadin*, but his support has encouraged bazaaris to contribute funds,

*This situation has antecedents in the 1951-53 period when the Tudeh Party and Mossadeq's National Front cooperated on occasion in their common struggle against the Shah. Their mutual suspicions of each other, however, made effective cooperation impossible.

**In many of the sources *Mujahadin* is rendered as "struggler." It is used, however, to describe a soldier of a holy war and thus creates the feeling of one who fights for a holy or noble cause. It also echos the *Mujahadin-e-Islam*, the Warriors of Islam, an organization created by Ayatollah Kashani in the 1950s to support Mossadeq.

and religious students who follow him are available to swell demonstrations against the regime.

There seems little possibility of a truce between the regime and the religious community. Those of the clergy who are following a policy of silence—and they are probably the majority—are unlikely to be either willing or able to dissuade the *Mujahadin* from violence. Even should the security forces wipe out the *Mujahadin*, religious opposition would remain, although less violent. The secularism of the government and the religious conservatism of the clergy appear irreconcilable and there is no spirit of accommodation on either side.

From the point of view of US interests the important aspect of the problem is the hostility of a large influential group which has constant access to masses of population. Xenophobia is always just below the surface in Iran. Although masked by the Iranian tradition of hospitality to individuals, it has always been relatively easy to stir up mob feeling against foreigners as an undifferentiated mass, and when this has happened it has almost always had religious overtones.

For many years the Soviet Embassy in Tehran has been cultivating the religious leaders. The reasons have probably been two-fold, first, to win acceptance as friends of Islam and second, to make sure that the religious leaders remain anti-US. In both they have been successful. The Soviet Union has emphasized the continued practice of Islam in the USSR, they have distributed expensive copies of the Koran and of Persian classics printed in the Soviet Union.* An additional consideration for the Soviets might be the desire to defuse or anticipate any anti-Soviet reaction which might accompany a generalized xenophobic upsurge.

One Soviet contact with the clergy was careful to point out that a major contribution of the US to the Tehran literary scene was pornography and other decadent literature. The most recent example of exploiting this theme followed the assassinations of Colonels Shaffer and Turner. Personal effects of the two men which had been taken by the assassins were subsequently returned. Planted among the genuine effects were copies of Penthouse and Playboy magazines and nude tearouts from these magazines Apparently the assassins hoped that the newspapers would pick up the story and give it wider circulation.* Pornography is not unknown to the Persians but the explicit type popular in Europe and the US is offensive to the religious minded. The fact that most pornography in Tehran is of American origin gives added weight to the charge that the US is trying to destroy the moral basis of Islam and is being assisted by the government which permits the importation of such material.

The security authorities are aware of many of the Soviet contacts and monitor them. Apparently the Shah has not been worried however, as no protest seems to have been made. As long as no explicit effort is made by the USSR to utilize the clergy against him, the Shah is unlikely to disturb the friendly relations between the two countries by a protest.

VII. AN EMERGING ELITE?

Some academic investigators believe they see a new potential elite emerging. One of them has called it the professional-bureaucratic intelligentsia,** or a professional middle class.

Characteristics of this class are described as follows:

a. It rejects the traditional power relationships that dominate Iranian society.

b. It has or is acquiring a modern higher education as opposed to the traditional religiously-oriented education.

c. The power position of this class depends primarily on the skill or talent its members possess as a result of this education.

d. It is exposed to a wider range of outside ideas and influences than has been the case with the traditional middle class.

e. It has discarded old values and value systems, in effect, no longer looking to Islam as a guide to life. Its members "they have no interest in a past they were never part of and less interest in the gods of that past." In searching for new values some have turned to Bahaism, others to communist or leftist ideologies.

The class includes professionals of all kinds, doctors, lawyers, teachers, engineers, bureaucrats who possess special skills and modern education, technocrats, managers, clerks and students. Included also are writers and artists who in many respects are the spokesmen for this class.

*See e.g. CS-311/05293, 28 Apr. 1965 C, Noforn; TDFIR 314/02542-74, 10 Apr. 1974 S. Noforn.

*IIR 1 662 0257 75. 8 July 1975 Conf. Noforn.

**James Bill in *The Politics of Iran*.

Given a free choice, members of this group would probably support any one of a variety of Western-derived political concepts, democracy, socialism, communism and a few even fascism. Paradoxically, a government organized under any of these philosophies would be less rooted in Iranian culture, history and ethos than is the monarchy. And such a government would probably be run by as small a group of people as now do so.

For this class to emerge as a new elite, i.e., to make the decisions and policies and hold the power it would have to become so large and entrenched, and perhaps more importantly, organized, that by sheer weight it would prevail. While the class is growing and will continue to do so, there is some doubt that the other requirements will be met in the near future. As we have seen, the traditional Iranian system does make room for new blood, but only if the latter plays the game. Those who do so are rewarded, those who do not are retired or shift to private life or to jobs which utilize their skills but not their ambitions. Many of the professional-bureaucratic intelligentsia have chosen to play the game, opening the way for many of them to move into a traditional elite status. In doing so they have, of course, given up one of the major differences which sets this class apart—rejection of conventional power relationships. Rather than becoming a new elite class, conscious of its differences from other classes, the members of this group might simply move into one or more of the existing classes, some joining the traditional elites, some remaining as a dissident minority and the majority remaining as a politically powerless but modernizing middle class.

The center for the production of the professional-bureaucratic intelligentsia is the universities. Paradoxically, the Shah's drive for an expanded modern education at the same time tends to increase the size of the class which is the most potentially dangerous to his system. The examination of the university chancellors which follows illustrates the operation of traditional forces on the educational hierarchy.*

*If information were available, valuable insights might be gained by examining the structure and functioning of professional organizations, such as those of lawyers, doctors and teachers. More than a decade ago the leader of a teachers organization parlayed his position into enough influence to end up as a *Majlis* deputy and finally Minister of Education. The role of such organizations in persuading its members to conform to the system (or perhaps to buck it?) should provide clues to the system-shaking potential of the new class.

Figure 27. Universities of Iran

Existing Institutions	Founded	Size of Student Body (1973/74)
University of Tehran	1934	17,000
University of Tabriz (Azerbadegan)	1947	6,000
University of Shiraz (Pahlavi)	1949	4,000
University of Meshed (Ferdowsi)	1949	4,000
University of Esfahan	1949	4,000
University of Ahwaz (Gondishapour)	1955	2,000
Polytechnic Institute	1957	na
Teachers College	1959	na
National University	1961	6,000
Arya Mehr Institute of Technology	1965	2,000
Institutions under Development:		
Bu-Ali of Hamadan	1973	
Free University	1974	
Reza Shah University	1974	
Farabi University	1975	
Balouchestan University	1975	
Kerman University	1975	
Kermanshah University	1975	

Nearly all of Iran's 10 universities have been established in the last 30 years, the last one 10 years ago. Seven new ones are in the process of organization. Meanwhile, student enrollment has exploded further crowding the already strained facilities. In the early 1970s only one out of every eight applicants to Tehran, Meshed, Tabriz and Esfahan Universities could be placed. The ratio was even worse at Pahlavi.

The problems are more than simply quantitative. Higher education in Iran has been a poor melange of French and Iranian educational practices,

Figure 28. Students in Institutes of Higher Learning

Year	Number of Students
1922	91
1933/34	795
1943/44	2,835
1953/54	9,996
1963/64	24,456
1970	67,268
1975	124,000

*Source: For 1922–1970, James A. Bill, *Politics of Iran*, p. 58; for 1975, A-28 Tehran, 20 February 1975, p. 2.

characterized by rote learning, stress on theory rather than practical application, single-exam system, European-trained faculties which refuse to modernize, superannuated deans and professors advanced on the basis of longevity rather than merit, and part-time teaching staffs.

Attempts at modernization began in the early 1960s. In 1967, educational reform was officially added to the Shah's "White Revolution." Even today, however, the universities are graduating many with inferior education or unmarketable degrees. In 1975, while university graduates go unemployed, Iran has an estimated shortage of 700,000 skilled workers.

The frustration of the unemployed graduate illustrates the danger inherent to an idle intellectual community. The intelligentsia exposed to foreign concepts is the agent of change. These innovators can improve the domestic system and identify with the progress made. If they are excluded by the system, however, they are innovators all the same, but, from without—advocating all types of reform, believing in a myriad of concepts from religious conservatism to communism, united only in their anti-regime sentiments. Iran's students have expressed their discontent through demonstrations and violence. These disturbances, whether motivated by grievances against the educational system or government policy in general, are troublesome to the regime.

University chancellors, the elite of the educational system are more politicians than administrators. Failure to check student disturbances can have an impact on their position. For example, the chancellor of Tehran University was ousted following the 1963 riots and Jehanshah Saleh was appointed to modernize and control the school. The widespread disturbances of 1967-68 resulted in the "resignation" of the chancellors at Iran's eight important universities. Later on Fazlollah Reza and Alinaqi Alikhani who followed Saleh as chancellors at Tehran, were removed in the wake of other student demonstrations.

There are, however, several chancellors whose terms have bridged periods of serious student unrest. For example, Jahanshah Saleh remained at Tehran University from 1963-1968, and was removed for reasons unconnected with student unrest. Reza Amin at Arya Mehr and Manucher Taslimi at Tabriz from 1968-1972 survived student disturbances. Abbas Jame'i, Farhang Mehr, Nasrollah Moqtader-Mozdehi, Qasem Motemedi, Hushang Nahavandi, and S. Hassan Nasr have all weathered the riots of 1974-75. These troubles started as usual, as protests over academic conditions and took on anti-Shah overtones. In these cases, the chancellors were in stronger political positions with fewer enemies to exploit the campus disruptions.

In the last 15 years 26 of the 40 chancellors were government officials before their appointments. Seven had been cabinet ministers and one, Assadollah Alam, had been prime minister. Of the 26 who are no longer chancellors, 18 moved into government positions after their removal. Six who had little or no history of political involvement before becoming chancellors filled important government positions later.

Thus, university chancellors are often political personalities, and, as such, involved in the high level infighting of the Iranian system. Their futures hinge on the strength of their political and personal affiliations.

Several have been members of influential families, by birth or through marriage. For example:

Manucher Eqbal	Daughter was married first to Shah's younger brother and second to Princess Ashraf's son.
Hushang Montasseri	Distant cousin of Queen Farah.
Habibollah Naficy	Son of Shah's former tutor; second wife from Adl family (one of the top 40), well known at court and close friend of Princess Ashraf.
Abbas Safavian*	Married Zarindokht Qavam, daughter of former governor of Kurdistan and niece of Assadollah Alam's wife.
Mohammad Shafi'-Amin	From a prominent Azerbaijani Turkish family.
Ali Akbar Siassi	Married to daughter of Mostafa Bayat, brother of former prime minister (1944), Morteza Bayat.
Mohsen Zia'i	Family related to Qarais and Teimurtashes; important Khorassani families; married daughter of Mohammad Gharib, most distinguished pediatrician in Iran.

* Safavian's advancement in academic circles began after his marriage, in July 1959; he became dean of the medical faculty of National University in December of the same year. He was appointed chancellor in 1974. His predecessor was named Minister of Education.

Others have won the support of powerful members of the elite. Many of their proteges have served as chancellors, using that office as a stepping stone to further political advancement.

The career of Hushang Nahavandi, former Minister of Housing and Development under Prime Ministers Mansur and Hoveyda (1963-1968), illustrates how university appointments can be successfully used to form a political base. In 1968, Nahavandi replaced Assadollah Alam as chancellor of Pahlavi University. Although Nahavandi's career has thus far been largely political, he saw Pahlavi as the "job of his dreams" and used it to earn for himself a reputation of competence and, after three years, the chancellorship of Tehran University. While at Tehran, Nahavandi has succeeded in building a power base, centered on a committee he formed for the study of the Shah-People Revolution. Starting only seven years ago as a minor member of the political elite, he is now regarded as a possible political rival to Prime Minister Hoveyda himself.

Even the chancellor with connections, however, remains vulnerable to the shifting power structure, the meddling of others with vested interests in educational developments, and the possibility that one day his status, or that of his patron, may be superseded. At times, university appointments have been used to isolate and politically destroy a potential rival. Such was the fate of Alinaqi Alikhani. As Minister of Economy in Hovedya's cabinet from 1967-1969, Alikhani developed a close working relationship with the Shah, thus threatening the Prime Minister's own position. Hoveyda began in a quiet campaign to reduce Alikhani's influence. In July 1969, while out of the country, Alikhani was appointed chancellor of Tehran University. After failing to cope with serious disturbances in May 1971, he was replaced by Nahavandi. A man who was once considered a strong candidate for the prime mininstership was politically destroyed by the problems of running the "the Mother University."

The high degree of political involvement in university affairs has taken its toll on educational reform. The average tenure of a university chancellor over the last 15 years is only slightly more than two years. A chancellor, faced with the difficult task of creating a modern, quality institution, maintaining this level of excellence in the face of burgeoning student enrollment, and keeping the peace on his campus, often is removed before his efforts can be fully implemented.

In addition, while the chancellor may himself be a pawn of the political elite, he is the center of power at the university and often has his own retainers. Thus, it is not uncommon for a new chancellor to place his own proteges in the university's higher-echelon administrative positions. One of Montasseri's first acts when he was appointed to Tabriz University in 1967 was to hire six new deans and forty new instructors. Alikhani replaced the deans of the Faculties of Law, Science, Technology, and Medicine at Tehran. Alam ruled Pahlavi in absentia through his protege, Amir Mottaqi.* This provided each with a like-minded staff of unquestionable loyalty, but it disrupted the continuity of the educational reform that the Shah was pushing.

Recent trends indicate that either the government has become aware of this problem or that the initial chaos of educational modernization has passed. With the exception of National University, recent chancellors of Iran's major universities have enjoyed tenure well beyond the average and the latest changes, at Arya Mehr and Meshed had no political implications.

Although power politics and personal ambitions are a fact of life in university appointment, they have not jeopardized the high standards demanded by the importance and nature of the office. The unqualified are never considered and the ineffective are quickly removed, regardless of their personal status. All the chancellors of the last 15 years have received their doctorates at highly reputable foreign universities and many have excelled in their respective fields.

Before 1960, chancellors were graduates of French universities, reflecting the Iranian's preference for French higher education and Iran's own adherence to French educational practices. The changing needs of the society led to the founding of the first American-style universities in the early 1960s: Pahlavi, Arya Mehr, National and Polytechnic. The government's commitment to educational reform was reflected in its selection of chancellors. Saleh, Sheikh-ol Eslam, and Davud Kazemi, all of this period, were graduates of American schools. In 1967, Iran's universities were put under a new ministry—charged with making

*Mottaqi followed Alam to the Ministry of Court where he now serves.

Figure 29. University Chancellors

University	Chancellor	Term
Arya Mehr	Hassan Nasr	1972–1975*
Esfahan	Qasem Motemedi	1969–
Gondishapour	Abbas Jame'i	1970–
Meshed	Nasrollah Mojdahi	1973–1975**
Pahlavi	Farhang Mehr	1971–
Tabriz	Hamid Zahedi	1972–
Tehran	Hushang Nahavandi	1971–

*Seeking treatment abroad for illness; replaced by Dr. Karim Fatemi.

**Elected to Senate; replaced by Dr. Jalal Matini.

education responsive to the society.* Although the Minister of Science and Higher Education, Majid Rahnema, was French educated, his appointees were overwhelmingly American trained. The few exceptions, Nahavandi, Taslimi and Anushirvan Puyan, proved themselves as modernizers.

With the talents of these men and continued government support, there has been marked improvement throughout the university system. It will be years, however, before Iranian universities can meet the standards of their European and American counterparts. In the interim, student frustrations will continue to be expressed in politically threatening demonstrations. Thus, until the university can meet the demands of the regime and the students for educational excellence, it will remain a major area of government concern. Consequently, those of the educational elite will continue to function as an appendage of the political elite, gaining and maintaining their positions through not only professional competence but also personal status, important social connection and acquiring as few powerful enemies as possible.

VIII. THE INDUSTRIAL ELITE

One group of great importance has been almost entirely neglected in this examination of how the Iranian system works. The economic-industrial elite has been growing in importance ever since Reza Shah started his program of industrialization. After World War II this group become increasingly important. In the last decade—with a booming economy and a forced-draft modernization in all sectors—the business-financial class has burgeoned.

Little is known of this group in detail. The names of some of the most prominent are well-known, Habib Sabet, the Elqanian, the Vahabzadeh and the Kashani families are, if not household words, widely known as rich and influential.* The details of their interrelationships, business and family, are obscure as are their relationships with members of other elites. Habib Sabet, sometimes referred to as the richest merchant in Iran, has a business relationship with the Shah's sister, Princess Shams. Other such relationships are undoubtedly present but are not on the record.

An unpublished academic study—the only such work available—provides some feel for the scope of the industrial elite.** This group is only a sub-class of a broader economic elite, completely unexamined so far as can be determined, which also includes a financial elite, i.e., the bankers.

A feature of Iranian industry is the very few establishments which can be characterized as medium sized. Although the figures are rough, about 97 percent of the industrial establishments employ less than 10 people each, but account for 66 percent of the industrial labor force. Industrial units employing more than 100 people are less than 1 percent of the total but they employ about 16 percent of the labor force and account for at least 44 percent of the total value of industrial output.

The Enayat study identifies 56 families in an "inner elite," 77 families in a "sub-elite" and 87 identified as large industrialists. The inner elite participate in nearly half of the 369 companies examined providing 39 percent of the directors of the largest companies and 28 percent of all company directors. More important, however, they are directors, possess a controlling interest or have an equal partnership in

*But a major factor in the establishment of the new ministry was a rivalry between Prime Minister Hoveyda and Minister of Education Hedayati.

*Some members of the last three families were sentenced to prison terms in September 1975 for profiteering.

**Extract from a draft of *The Iranian Industrial Elite, Origins, Character and Structure*, by Ann Enayat, Tehran University. No date, probably 1974. As in other academic studies, the author does not identify individuals or families, a major shortcoming for the approach used in this paper. Enayat provides her modus operandi and her raw data could be reconstructed but at the cost of much time and effort. It has not been attempted here. In addition, crucial pages, notably those on the social composition of the industrial elite, were not included in the available copy.

the 26 conglomerates, industrial groups, or multiproduct companies which dominate the business scene.

A large number of the industrial elite are also members of elite groups controlling other private-sector economic activities. At least 65 percent of the inner elite and 32 percent of the sub-elite are dominant in other fields. Many families from these two groups are among the leading merchants in the Tehran bazaar, including most of the large cotton exporters,* those with a virtual monopoly of the lucrative trade in dried fruits and nuts and carpets and the largest importers of iron and steel and of automobiles. In addition, the industrial elite includes the three most important families engaged in mining, seven prominent contractors, some of whom also produce building materials, the owners of a film studio and theater, the owners of the first private department store chain established in Iran and owners or part owners of three private large agro-business ventures.

The limited data on the social origins of most of the industrial elite indicates that some started their rise under Reza Shah but that most have developed since World War II. A typical example might be seen in the owner of the largest poultry business in the Tehran area (and probably all of Iran) who started his career 15 years ago vending chickens door-to-door by bicycle. Probably none of the industrialists owe their success to their membership in the political elite but a close relationship has certainly developed between the two elites.

The Shah may well be on a collision course with many of the large entrepreneurs, businessmen, merchants and financiers who are the sparkplug of the private sector. In an attempt to control pricefixing, gouging and manipulation, which have been common at all levels and long the cause of public complaints, the Shah has decreed that prices on hundreds of commodities be fixed, that prices be rolled back to this level and that the slightest non-compliance be dealt with by a jail term. Some of Tehran's wealthiest and most prominent businessmen have been sent to jail, usually for minor offenses.

This rather simpleminded approach to Iran's corruption problems, together with the royal decree mandating the sale of stock in private concerns to the workers and the public has created a climate of uncertainty which could seriously affect the industrial development of the future. The Shah's head-on assault against the landlords, 15 years ago, succeeded to a large extent because the landlord system itself had become unprofitable and unviable. Similar tactics against a more productive and essential enterprise could backfire. The man reputed to be Iran's richest merchant has fled the country vowing not to return because of the unrealistic business climate.

The threat to turn profiteering cases over to military courts is designed both as a warning—the military courts' chief function appears to be to convict not adjudicate—and perhaps a reflection of the government's suspicion that civil courts might be too open to influence by the accused.

The various economic reform measures the Shah is taking to make the market place more responsive to his goals could have a backlash if a substantial portion of the industrial and business leaders feel they are under attack or can no longer make the profit (even though exorbitant) to which they have become accustomed. Given Iran's heavy dependence on private business a failure of confidence in the private sector could have wide ranging effects.

*Cotton export is said to be controlled by a very tiny group.

TOWARD THE FUTURE

The structure and functioning of the Iranian elite which has been described has shown a high degree of stability throughout the years. Insecure, cynical and mistrustful, the several elements of the elite have made a virtue of compromise and adaptability which has enabled them to survive change with a minimum loss of the personal influence which its members prize.

The present elites have found it expedient to bow to the *force majeure* of a dominating monarch. Nonetheless, personal political ambition as a motivating factor of elite behavior remains beneath the surface. The demise of the present Shah will present the elites with the opportunity to scramble for the power that has been denied them for so long. No successor to the Shah will be able to control the process unless and until he can establish the same sort of overwhelming position as has Mohammad Reza Pahlavi.

The elites will, however, have to cope with additional challenges. Claimants to power, even if they have not achieved elite status, have traditionally been accommodated in and become part of the system without disrupting it. The elites will be faced with more numerous and more powerful claimants when the present Shah goes than were their ancestors. The professional-bureaucratic intelligentsia is a growing class whose ranks are swelled by many of the changes which the Shah himself is promoting. Their values, attitudes and view of society are markedly different from that of the traditional elites. Although many of them will be absorbed into the existing structure their very numbers assure them of a significant impact on Iranian society. The industrial/commercial elites, fewer in number but increasingly in control of sectors of the economy that are growing rapidly in importance as a result of the Shah's programs, will demand political power. This new elite would normally be accommodated without great strain; their values and attitudes are not all that different from the traditional system. However, the necessity of survival in a post-Shah Iran could lead to cooperation between some elements of the industrial/commercial elites and the professional-bureaucratic intelligentsia, a coalition capable of producing a qualitative change in Iranian society.

Iranian society has survived over the centuries by absorbing alien concepts and mores and transmitting them into something uniquely Persian. This resiliency is once more being tested and the outcome, although unpredictable, is likely to owe more to traditional Iran than to foreign influence.

ANNEX A

ADDITIONAL DATA ON THE IRANIAN ROYAL FAMILY

This annex contains additional detail on the Royal Family. Some of the persons discussed here have been mentioned in the main body of the text, others are considered for the first time. In addition some of those who came into the Royal Family by marriage are examined as illustrations of one of the principal points made in the paper, the importance of family connections in achieving status. The Royal Family's record of marriages and divorces, of infidelities and remarriage and of intra-family feuding is typical of many elite families, as is the utilization of family connections for political and financial profit.

The Queen Mother

The Shah's mother, Taj ol-Moluk, rules the royal household. Her exact age is not known, perhaps not even to her, but she must be in her eighties. She was the daughter of Bagher Khan Mir Panj, the latter two words constituting a military title roughly equivalent to a general. No more is available on Bagher Khan except that his family came from the Caucasus.

Taj ol-Moluk had three sisters and one brother. Little information is available on them. Alamtaj, the third sister, married a Col. Minbashian. Minbashian's brother is married to Princess Shams.* Another sister married a medical doctor, Senator Mohsen Hejazi.

In 1944, Reza Shah died in exile. Shortly thereafter Taj ol-Moluk, then back in Tehran, took as a lover one Gholam Hossein Sahibdivani. They were finally married in 1948. Sahibdivani was considerably younger than Taj ol-Moluk. He was from one branch of the family of Qavam ol-Molk of Shiraz, the most influential family in Fars Province.* Sahibdivani appears to have had no outstanding characteristics except availability. He had a secondary education and served one term in the *Majlis* as a deputy from Fars, a job he probably got because of his influence with the Queen Mother. He was not re-elected, perhaps he had had a falling out with Taj ol-Moluk, at any rate he dropped from sight for 15 years, emerged briefly in 1963 when he was described as a newspaper publisher

*Shams' husband is now known as Mehrdad Pahlbod. His name was originally Ezatollah Minbashian. He changed his name when he and Shams were married. The Minbashians are a military family but at the time of the marriage they were primarily known as military musicians, apparently of insufficient social status to be identified with the Royal Family. The Minbashian family is said to have originated in Gorjistan, now Soviet Georgia.

*"The Qavam historical tradition (in Shiraz) is one of wealth, political power and authority. Many old Shirazis have told me 'Before Reza Shah, Qavam was Shah here'." (Unpublished paper by William Royce, *The Iranian Provincial Elite: A Case Study, Nov. 30, 1973.*)

A-1 Taj ol-Moluk, the Shah's mother

in Shiraz, a member of the city council and a possible candidate for the *Majlis* again. He was not elected and there is no further record for him.

Taj ol-Moluk is little seen outside a small circle of friends. Twenty years ago she was described as "aggressive, assertive and suspicious"; age may have curbed but not erased these traits.

Former Queen Soraya commenting on the Queen Mother remarks:

> "Even in my time her ideas still remained entirely those of the harem world in which she had grown up. This does not mean that she had no influence. On the contrary, I could not help but be struck by the fact that the Tehran Court was fundamentally a woman's court. Although officially the woman had no rights of any kind, in practice they knew a thousand tricks and dodges for getting their own way, and sometimes I had the sensation of living in a thoroughgoing matriarchy, at the head of which was the Dowager Empress."*

As late as 1971, the Queen Mother was still reported as being a major influence on the Shah, and the Court routine included a four times a week dinner which the Shah attended together with the Queen Mother, other members of the Royal Family and a select group of cronies.

The Queen Mother is unlikely to play any sort of an influential role in the future; her day has passed together with the conditions which made her role possible. Nevertheless, she has indelibly marked the character of the Shah and the image which the Court will leave in history.

Farideh, the Queen's Mother

The Queen's mother, Farideh Diba, will take over the senior role now held by the Queen Mother, when the latter dies. She is a very different personality from Taj ol-Moluk. Although little detailed information is available on her relationships with the various members of the Royal Family, she appears to have escaped the gossip which surrounds almost any Iranian in an influential position. The reputation she acquired early for high character and principles and the good affect she has had on the Empress still appear to be characteristic. Younger, better educated and less domineering, she could further improve the popular image of the Royal Family.

*Princess Soraya, *The Autobiography of HIH Princess Soraya*. Translated from German by Constantine Fitzgibbon. London: Arthur Barker, 1963, p. 67-68.

A-2 Farideh Diba, Queen Farah's mother

Princess Ashraf

The Shah's twin sister, Ashraf, has been one of the Shah's most ambitious supporters and one of his major liabilities during most of his career. As in the case with most of the Royal Family, little is known about Ashraf's childhood or the relationships within the family. She is said to have been a favorite of Reza Shah but this is denied by former Queen Soraya, who says that "In reality, Ashraf was neglected by her parents, Reza Shah preferred Shams and spoiled her whenever he could."*

Ashraf was educated in Tehran at a girl's school operated by the Zoroastrians. She was married in 1937 to Ali Qavam, son of the influential Qavam ol-Molk (see footnote p. 55; they had one son, Shahram, now 35 years old who uses Pahlavi-Nia as a family name. This marriage ended in divorce soon after Reza Shah's abdication. Three years later, in 1949 Ashraf

*This may be only sour grapes on Soraya's part as she and Ashraf were fierce competitors for influence in the Court. However, one of the few childhood pictures shows the Shah and Shams being held by Reza Shah while Ashraf is far to the side, almost out of the picture.

married an Egyptian, Ahamd Shafiq. One son, Shayan (known as "Putzi"), and one daughter, Azadeh, were born before the divorce in 1959. The next year Ashraf married Dr. Mehdi Bushehri, from one of the top 40 families.*

Ashraf's husbands have fared well. Shafiq became the director of Pars Airline, which, it is alleged, he used for smuggling activities to and from Switzerland. Bushehri whose official positions include such taxing ones as roving Ambassador, and Chairman of the Board of Directors of the Arts Festivals, was deeply involved some years ago arranging permission for Aeroflot to operate into Iran, a deal from which he apparently benefited financially.

Ashraf has achieved quite a reputation by granting her favors to a long list of personable young men—starting perhaps with Asadollah Alam in 1943—many of whom went on to more prestigious positions. For example, Parviz Raji is now assistant to Prime Minister Hoveyda. Ashraf thus has scattered throughout the government, men who can provide her with information and influence, for in most cases termination of the relationship appears to have been amicable.

Ashraf has always had a reputation for being tough-minded and ruthless. These characteristics were especially noticeable in the days when weakness was the Shah's dominant trait. Thus the US Embassy noted in 1951 that Ashraf had "her father's merciless determination" while "Mohammad Reza received the dream of national progress."

> "Her motives have been improper and her actions often maladroit. But she has an instinct for decision which is badly needed in the Shah's close entourage. Her forceful character, her sharp insistence for action can push her brother from passivity."**

Ashraf and other members of the Royal Family were anathema to Mossadeq and in 1951 he forced the Shah to order them out of the country. Ashraf did not return for two and a half years in early 1954, some eight months after the coup against Mossadeq. Possibly the Shah was content to have her remain in Europe as long as possible as it removed her from her second favorite indoor sport—political intrigue.

By the 1960s, the Shah's increasing self-confidence, his willingness to make decisions and the consolidation of his position eliminated much of the importance that Ashraf's politicking once had. There is no doubt that she has always been devoted to the Shah's interests as she construed them—and as she construed them they were also her interests.

At one time she apparently tried to build a personal following using the High Council of Women,* to the displeasure of the Shah who took steps to block her, and in 1969 she tried to sponsor several women as candidates and otherwise meddle in the elections for the *Majlis*. On that occasion the Shah arranged for her to stay in Europe until the elections were over.

The Shah, perhaps in an attempt to turn her energies in a more constructive direction, has in recent years given her wider official responsibilities. She visited Communist China in 1970 and again in 1975; she has been a prominent member of the UN Human Rights Commission and has headed the Iranian delegation to the UN.

Although her political meddling has apparently decreased, her interest in business and commercial activities, often verging on if not completely illegal, remains high. She has never hesitated to use her influence to obtain government contracts for her friends or acquaintances willing to pay her a fee. In recent years, it is said, she no longer demands a payoff from contractors but only comments that she would be happy to be able to rely on them should it ever be necessary.

There are conflicting stories about the Shah's attitude toward Ashraf's commercial activities, as well as those of others in the Royal Family. He is probably himself torn between family loyalty and his desire for a corruption-free government. His affection for his twin and the very real problem of keeping any kind of effective surveillance on her activities compounds his problem. A report in the early 1950s remarked that he thought her business ventures were alright as long as

*Bushehri was one of Ashraf's business partners before they married. "Bushehri is typical of the courtiers who surround Her Highness, i.e., he is polished, good-looking, French-educated and gives the impression of being slightly shifty. He is the cousin of Bager Bushehri, deputy from Bushehri and nephew of Javad Bushehri, Senator from Shiraz and Vice-President of the Senate." (US Embassy Tehran, Desp. 677, 6 February 1957, Conf.)

**U.S. Emb. Tehran Desp. 736, Dec. 20, 1951. Secret p. 7.

*The High Council of Women, an umbrella organization containing representatives of some 30 separate women's groups was mostly a creation of Ashráf to enhance her own interests. After intramural bickering tarnished its image it disappeared and was replaced in 1966 by the Iranian Women's Organization, also under Ashraf's control.

he didn't use his influence on Ashraf's behalf. At another point, much later, the governor of one of Iran's largest banks told an Embassy officer that he had brought to the Shah's attention some business ventures which put Ashraf in a bad light. The Shah merely shrugged the matter off. The bank governor commented to the Embassy officer that such deals "would land other people in jail for ten years."

One of the most damaging aspects of Ashraf's activities has been allegations that she had engaged in drug smuggling. The evidence is, of course, scanty, but the charge is repeated and embellished *ad nauseam* by oppositionists of all stripes and has become a fixture in the catalog of charges against the Pahlavis.

Ashraf's oldest son, Shahram, has followed in his mother's footsteps in some respects. He is widely, and unfavorably, known in Tehran as a wheeler-dealer with holdings in some 20 companies including transportation, night clubs, construction, advertising and distributorships. Some of these apparently provide a cover for some of Ashraf's quasi-legal business ventures. Among knowledgeable Iranians his most flagrant act of irresponsibility was the sale of national art treasures and antiques, notably the gold artifacts from Marlik, a prehistoric archeological site of great significance.

In September 1971, an unsuccessful attempt was made to kidnap Shahram. This was just before the 2500th Year celebration of the founding of the Iranian Monarchy and it was generally interpreted as an action by dissidents to disrupt the celebration. The incident was not carried in the local press.

Princess Shams

Shams is the Shah's elder sister. She has always had a better reputation than Ashraf but she is of no importance politically. She has confined herself to good works. Like others in the Royal Family, she had substantial business interests. Shams had provided investment funds for years to Tehran's most prominent businessman, Habib Sabet. Her most recent project is a "model city" west of Tehran, where she is building a palace. Several construction companies in which she has an interest are working on this.

She was once described by the American Embassy: "of all the Pahlavis below the Shah (Shams) is best loved by the Iranian people. Her life, in her family and in public affairs, is an example of honesty and recognition of responsibility."* Although this assessment is now three decades old, it appears to remain essentially true today except that Queen Farah has replaced her in the affections of the populace. The only recent comment on her is by Princess Sarvanaz, daughter of her half-brother, Abdor Reza, who described her as "lovable, sweet, harmless and stupid."**

Gholam Reza

Gholam Reza—the only child of Reza Shah's third wife, Turan Amir Suleimani*** had the same education as the Shah, royal elementary school, Le Rosey in Switzerland, and, upon returning to Tehran, military school. In 1941, Gholam Reza accompanied his father into exile. After his father's death he spent a year at Princeton University. He also apparently spent some time at the American University of Beirut and in California.

Now a Brigadier General, Gholam Reza is a professional soldier, and is Supreme Chief, Military Special Inspection of the Supreme Commanders Staff—more of a ceremonial than a working position. Most of his formal military education consisted of a course at the armoured school at Fort Knox where his performance and attitude were mediocre. He is also a special adjutant to the Shah, Chief of the National Olympics Committee and Deputy Honorary President of the Equestrian Society.

Potentially more important is his role as a member of the Regency Council, together with Prince Abdor Reza and others, which would aid Queen Farah should she become Regent.

Gholam Reza has been described as "a nonentity without either character or intellect." Prior to the birth of the Crown Prince and after the death of the Shah's only full brother, Ali, Gholam Reza was given many of the ceremonial duties of a Crown Prince. At least twice between 1954 and 1959 there were strong

*Desp. 736. 20 Dec. 1951, p. 8.

**Nineteen year old Sarvanaz does not seem addicted to flattery; she was described in 1972 as hating the Shah and "would like to lead a revolution to overthrow the government."

***Turan's family was of the Qajar nobility but there is insufficient information to place the family precisely. It probably derived from Amir Ali Khan Amir-Soleiman, a landowner who was one of the Qajar Princes' representatives in the First *Majlis* in 1907. Turan was the niece of one Majd ed-Dowleh, perhaps the same or related to Heidar Qoli Amir Soleimani, (b. 1911) long associated with the Court and now a Civil Adjutant to the Shah.

A-3 Prince Gholam Reza

rumors that he might be officially designated Crown Prince. In early 1959 there was a brief move by a grab-bag group of politicians and military types to promote Gholam Reza as Crown Prince, apparently in the expectation that the Shah might soon fall.* The issue became academic with the birth of Crown Prince Reza Cyrus. Gholam Reza does have a coterie of likeminded cronies who do not however, constitute any kind of political force under current conditions.

Prince Abdol Reza

The only one of the Shah's half-brothers who once gave the promise of being anything but a drone was Abdol Reza, the first son of Reza Shah's fourth wife, Esmat ol-Moluk Dowlatshahi.**

*As an interesting sidelight, nearly all the members of the group were affiliated with Grand Orient Masonic Lodge, an organization which the British apparently had used to promote their interests in Iran. For background see Hamid Algar, "An Introduction to the History of Freemasonry in Iran," *Middle Eastern Studies*, vol. 6 no. 1 (October 1970), pp. 276-296.

**The Dowlatshahi family derives from a son of Fath Ali Shah who reigned from 1798 to 1834. Descendants served as governors of Kermanshah, and the Dowlatshahis continued to be powerful in Kermanshah into the 20th century, providing deputies for the *Majlis* and ministers for the cabinet.

Abdol Reza was born in 1924, the year before his father deposed the Qajar Dynasty. He was educated in Tehran and in 1941 accompanied his father into exile as did other members of the Royal Family. After World War II, Abdol Reza attended Harvard from which he graduated in 1948 with honors. On returning to Iran, the Shah appointed him to the post of Honorary Chairman of the Seven Year Plan Organization. Whether or not the Shah intended this to be purely a figurehead post is not clear. At any rate, Abdol Reza took the job seriously. His ability did not match his enthusiasm and he immediately fell into a political struggle over control of the economic development plans. Abdol Reza and the few officials who backed him were eased out and the Shah turned to a group of old line politicians known more for their peculation than for their ability. Abdol Reza was completely out of the picture by 1955 and in the last 20 years he has devoted himself primarily to ceremonial functions and to the only official post he holds—Chairman of the Game Council of Iran with responsibility for wildlife conservation. He is designated as a member of the Regency Council but would, of course, exercise this function only if the Shah were to die.

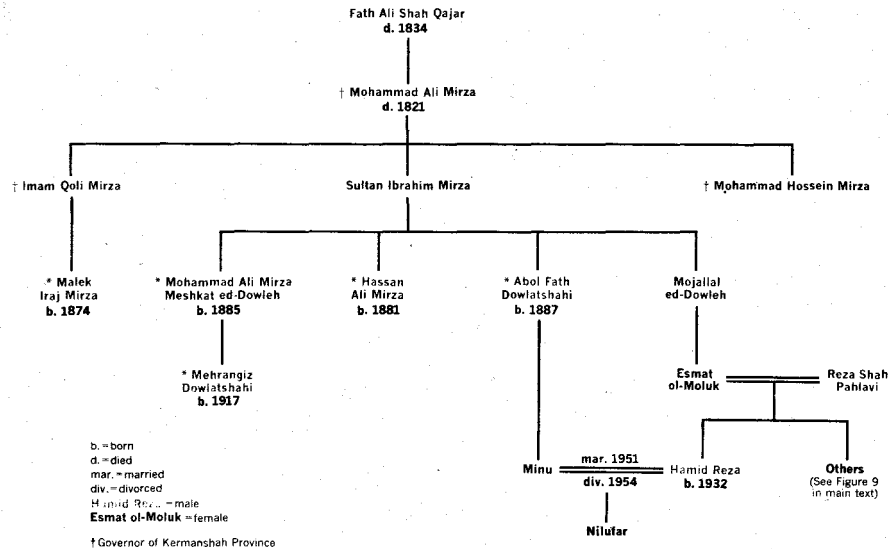
Assessments of Abdol Reza are mixed and none are based on recent information. He is generally conceded to be the best educated and most intellectual of the family, a fact which at one point the Embassy believed accounted for the rift between Abdol Reza and the Shah:

> ". . . the Shah is more jealous of him than of any of his brothers primarily because the Shah, who likes to appear superior in every field, realizes that Abdol excels him in education and in general culture." At the same time, the Embassy commented that "much of his knowledge appeared superficial and ill-digested."*

Certainly he never got the opportunity to demonstrate whether he was incompetent or merely inexperienced.

In the late fifties, Abdol Reza was on record with many bitter remarks about the Shah; among the mildest was that the Royal Family was "thoroughly rotten" and he was ashamed to be a member of it, that the Shah was unable to surround himself with decent people and that his actions were driving the country to ruin. These assessments, it should be noted, were not uniquely Abdol Reza's but were shared by many Iranians and non-Iranians at the time. The unique

*US Emb. Tehran D256, 29 Nov. 1954, Secret.



This figure illustrates in a simple form the type and scope of family connections found in Iran.

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A-4 The Dowlatshahi - Pahlavi Connection

A-5 Prince Abdol Reza

aspect was that they came from a member of the Royal Family. In commenting on the conversation the Embassy noted that Abdol Reza "undoubtedly is full of frustration on account of the life he is forced to lead, a life devoid of meaning and purpose."

There is no recent information to permit a judgment on Abdol Reza's current assessment of the Shah and his actions. He apparently maintains a distance between himself and the rest of the Royal Family.

Others

The remaining four children of Reza Shah and of Esmat ol-Moluk Dowlatshahi do not require much comment. They are little known, apparently, to official Americans and so far as can be determined, they perform only protocol functions, if they do anything at all. Scattered reports suggest that they have business interests but the extent of these is unknown. One function they do serve is to provide relatives and friends with jobs in or near the Court.

Ahmad Reza was born in 1925, educated in Switzerland (Le Rosey?), at the American University of Beirut and the University of California. He is described as being very shy and said to live quietly. In 1944, he married Simin Bahrami.* They had a son Shahrokh and a daughter Shahla. They were divorced in 1954 and four years later, in 1958, he married Rosa Bozorgnia, a member of what had once been one of the wealthiest merchant families in Meshed. This marriage shows some of the advantages of marrying into the Royal Family.

In the late 19th and early 20th centuries one of the wealthiest merchants and landlords in Khorassan Province was Haj Abdol Hossein Tehrani (Bozorgnia). His family had long been prominent in the area and Abdol Hossein not only showed proper piety by making the pilgrimage to Mecca but showed his public spiritedness by building a high school for Meshed as well as a canning factory. Abdol Hossein died in the early forties, leaving two sons Danesh and Ali. Much of the wealth the family accumulated was lost by the two sons in gambling.

Danesh, well-educated and a merchant, toyed with politics in the 1930s but retired to Tehran where he made something of a reputation as a poet and story-teller. Ali, also a business man served in parliament in 1928-1930 but both brothers were required to live in Tehran when Reza Shah suspected them of plotting against him. Ali returned to the *Majlis* in 1949, from Sabzevar in Khorassan, a constituency usually dominated by one or the other of the large landlords in the area. The next elections were cancelled by Mossadeq but in 1954 he was again in the *Majlis* and served until the 20th session was dissolved by the Shah in 1960.

In 1963 when the first of the Shah's new reform parliaments was elected, old-time politician Ali Bozorgnia was no longer in parliament. He had gone off to the Ministry of Labor where he became chief of

*The Bahrami family is large and influential. Simin's father, Fazlollah, was a high-ranking police official who made a large fortune. Never very active as a politician, he served in a large variety of posts including mayor of Tehran, Minister of Interior and Governor General in several provinces. Fazlollah's brother, Farajollah Bahrami Dabir Aazam, was Reza Shah's private secretary from 1925 to 1927. Although he quarreled with Reza Shah and was imprisoned, he subsequently served in a variety of posts abroad as well as in Iran. Fatemeh Bahrami, perhaps a sister of the other two, was the wife of Ibrahim Zand, a longtime, high-ranking official under both Pahlavis, whose daughter, Parissima is married to Prince Abdol Reza.

the labor insurance department. His qualifications for the job were obscure but his niece had in the meantime married into the Royal Family. In 1970 Ali's wife, Sadri, showed up in the *Majlis* from one of the Khorassan constituencies. Sadri had been active in charitable organizations and, profiting from the Shah's desire to see more women in politics, she had become associated with the Iran Novin Party, moved to the Ministry of Housing and with this experience was the party's choice for the *Majlis*. Aside from influential connections through her husband she was in her own right related to an influential Khorassan family.

Aside from their natural attributes, the Bozorgnia's have been helped in their carrers by the marriage of Danesh's daughter, Rosa, to Prince Ahmad Reza, the Shah's half-brother, thus obtaining access to Court circles. Her brother Hossein (Danesh's son) became Secretary to Prince Ahmad Reza shortly after the marriage and has remained in the job ever since. An assessment of him says: "He is living proof that education abroad need not necessarily move an Iranian toward reform and liberalism. While he undoubtedly recognizes the need for some changes, he is basically interested in his own privileges and can be expected to use his position near the seat of Iranian power to protect them any way he can."

Mahmud Reza was born in 1926. Educated at UCLA and the University of Michigan in business administration and industrial management, he devotes his time to his various business interests and to hunting. Once described as a "mild, not overbright nice guy" he is happier among close hunting companions than in social gatherings. In 1954 he married one Mehri Zanganeh whom he divorced about 1957. In 1964 he married Maryam Eqbal, daughter of former prime minister and Chairman of the Board of Anglo-Iranian Oil Company (AIOC), Manuchehr Eqbal. They were divorced in 1965. Mahmud Reza apparently has no children.

Hamid Reza is the youngest of the Shah's half-brothers, born in 1932. Old assessments—there is nothing recent—depicted him as irresponsible, headstrong and a spendthrift. In the early 1960s the Shah stripped him of his title of Prince, apparently because he had been in touch with exiled General Timur Bakhtiar who was plotting against the Shah. In 1951 he married Minu Dowlatshahi, a cousin, whom he divorced in 1954.* A daughter, Nilufar, was born in 1952. He married Homa Khamnei, of whom there is no further record, in 1955 and divorced her in 1959 after two children, Behzad and Nazok. He seems to be unmarried at present.

Princess Fatemeh, born in 1930, is the only daughter of Reza Shah and Esmat ol-Moluk Dowlatshahi. She was educated in Iran and in the United States. In her early years she was spoiled, willful and headstrong, not unlike several others of Reza Shah's brood. When she was 18 there were strong rumors that she would marry Khosrow Khan Qashqai, a union that would have allied one of the most troublesome tribes with the Pahlavi dynasty. This fell through and two years later in 1950, she met an American, Vincent Hillyer, whom she married shortly afterwards in Rome. Hillyer apparently had become acquainted with Prince Mahmud Reza, had gone to Iran as Mahmud's guest where he met Fatemeh. The acquaintance was renewed later in Europe and in the US. The Shah strongly disapproved of the marriage and deprived the princess of her royal privileges for a time. Hillyer apparently made a good impression on the Shah, however, and the ban was lifted and Hillyer received at Court. Fatemeh and Hillyer were divorced in 1959 after two children were born, Keyvan and Darius. Fatemeh had a brief affair with Ardeshir Zahedi and in 1959 married the late General Mohammad Khatami, Chief of the Air Force and a personal pilot to the Shah for many years.

The Shah's Queens

The Shah's marital life has not been free of difficulties. His first marriage, with Egyptian Princess Fawziah, arranged for reasons of state, did not long endure Reza Shah's abdication. Fawziah, bored by Tehran and Iranian Court life, certainly provincial by Egyptian standards of the time, was uninterested in the public activities expected of the Queen. In the words of a contemporary OSS assessment, "the Shah can get no support and understanding from her in any serious national undertaking." The Shah's extramarital affairs probably did not contribute to the stability of the marriage. Fawziah was enraged at one point when the Shah brought to Court a former mistress who had been exiled to Meshed. His tastes, at any rate, were ecumenical, Iranian, European and

*See page 59 of this Annex. About 1956 Minu married Leland Rosemberg, a shady wheeler and dealer who at the time was honorary consul in Tehran of Trujillo's Dominican Republic.

A-6 Fawziah, the Shah's first wife

American. The Shah's second Queen, Soraya, after her divorce noted that "The European type appealed to him the most;" she added that he had too much common sense to marry one of them. The Shah's marriage to Soraya was apparently from genuine affection and the subsequent divorce after eight years was with considerable reluctance and only because she had failed to produce an heir.* Soraya was popular with the Iranians and her departure was an occasion for grief among many lower class women who seemed to identify with her.

The Shah's marriage to Farah Diba has been successful from a dynastic point of view, two princes and two princesses, thus assuring the succession, all else being equal.

Since her marriage to the Shah on 21 December 1959 Farah Diba has grown in her job and the more pessimistic prediction that "she will soon fall into the clutches of the more infamous people around the Shah and will lose many of her good qualities" has not occurred. On the contrary, although she has apparently aroused the jealousy of others in the Court entourage, she has been able to present a more constructive public image of the monarchy than had

*The Shah settled on her an annual allowance and permits her to use the title "Princess."

A-7 Princess Soraya, the Shah's second wife

previously been the case. The increasing role that the Shah has permitted her over the years and especially the act of providing that she became Regent in case of necessity suggests the confidence that the Shah has in her. Farah has not, however, built up a following personally loyal to her. Her influence derives from her position as Queen and from her personal qualities; should she become Regent her ability to influence developments would be limited by her lack of a personal mechanism to get things done.

Farah was born in 1938 in Iran, educated in Italian and French schools in Tehran and in 1957, at the age of 19, she went to Paris to study architecture. There she met Princess Shahnaz, the daughter of the Shah and Fawziah, who later introduced her to the Shah.

Farah is from a poorer branch of the Diba family, one of the more distinguished families of Azerbaijan Province. While the marriage was not primarily political the Azerbaijan connection is an advantage to

the Shah as the province has often felt ill-treated by Tehran.*

The Diba family has provided diplomats, *Majlis* deputies, religious leaders and businessmen under both the Qajars and the Pahlavis. Some of the family were close to the throne even before the marriage, even though one Diba, treasurer-general to Reza Shah, had a violent disagreement with his sovereign and the Dibas fell into disfavor with the old Shah. Another family member served in six sessions of the *Majlis*, from 1923 to 1938, as representative of the Shahsavan tribes of Azerbaijan.

Farah's great-grandfather was a poet and a major landowner in Azerbaijan, her grandfather, one of six brothers, had been a diplomat, serving in Czarist Russia and in Holland. Farah's father, Sohrab, died in 1948. He had been educated at St. Cyr, served as an Iranian army officer and later resigned to go into business.

Farah's mother, Farideh who is now about 54 years old, is from the Qotbi family, well-known in their home province of Gilan but not prominent nationally. Farideh had two brothers, Brig. Gen. Hossein Qotbi, retired, and Mohammad Ali Qotbi, an architect on whom Farideh and Farah were dependent after the death of Sohrab Diba.

Certainly Farah's main accomplishment, at least from the point of view of the Shah, was to provide a Crown Prince and thus increase the possibility that the Pahlavi dynasty will survive. This accomplished, she proceeded to add another prince and two princesses to the dynasty but the Shah soon recognized Farah's potential as a political asset, something neither of his other wives had been. Starting about 1965, she became more visible publicly. Although the Queen has been expected to take an interest in charitable works, Farah has really worked at it, unlike her predecessors. She also takes an active part in women's affairs, although in this she risks crossing Ashraf who is the recognized leader in such things. The increasing political role she was being permitted was signalled in 1966 when she made an official visit to the eastern provinces of Seistan and Baluchistan. During this trip Farah acted very much in the role of the Shah. The fact that she was accompanied by responsible ministers and not only by protocol and ceremonial functionaries indicates that the Shah intended that she should be a stand-in for him. In the course of this visit to one of the poorest and most backward parts of the country, she ordered the completion of various projects, the initiation of others, donated funds and made inspections, all actions which the Shah normally initiates during such trips.

In 1967 parliament, at the request of the Shah, amended the Constitution to permit Farah to act as Regent in case something happened to the Shah before the Crown Prince comes of age in 1980. In the following years, Farah maintained a high degree of visibility, making provincial visits, accompanying the Shah on state visits abroad and acting as sponsor or chairwoman of a wide variety of meetings, committees and symposia.

There was a hiatus in her activities in late 1972 and 1973. In November 1972, the Queen left Iran abruptly for Europe accompanied by her youngest son, Ali Reza. This sparked rumors of a rift between the Shah and Farah. Although there were suggestions that Ashraf may have had a hand in the affair it seems more likely that the Shah's dalliance with another woman was the real cause. At any rate, Farah returned. For nearly a year she confined herself to social and humanitarian projects but in mid-1974 she again became politically active when she received a group of governors-general in an audience, the first time this has happened.

The extent of Farah's influence on the Shah's thinking and actions cannot be precisely gauged. Farah is more Europeanized than the Shah—she does most of her reading in French and English and does

*Under the Qajars Azerbaijan was usually the fief of the Crown Prince who was sent there as a child and remained there until he assumed the throne, if he lived that long. This provided the Crown Prince with experience in governing, such as it was, and removed him from Tehran where he might engage in dangerous intrigues against the throne. In more recent times, the Azerbaijanis have felt that Reza Shah discriminated openly against them in favor of the Caspian area (his home province) and other parts of the country. A story is told that Reza Shah, while visiting Azerbaijan was addressed by a local notable in Azerbaijani Turkish rather than Persian. Reza Shah, knocked him down, kicked him and expressed extreme displeasure with so-called Persians who could not speak Persian. (US Cons, Tabriz, A-4, 10 January 1949, Secret.) The present Shah did not visit Azerbaijan for several years after ascending the throne. Tehran is sensitive to the separateness implied by the almost universal use of Azerbaijani Turkish in that province. The official language is Persian, and when, in 1969, Farah visited Azerbaijan she was reported as speaking "fluent Azeri dialect of Persian," while a Tabriz University professor described Azeri as "one of the most developed of the Iranian languages." (US Cons, Tabriz, A-5, 15 February 1969.) Both statements are factually untrue; Azeri is Turkish.

not normally read anything printed in Persian.* She must have had, at least initially, little realization of the difficulties involved in pushing forward modern social programs in the general atmosphere of intrigue which continues to pervade the Iranian bureaucracy. The Queen appears to have raised with the Shah in recent years at least three issues, which may have borne some fruit; 1) that not only the Shah, the Queen and their children should be scrupulously honest and above reproach but that all members of the Royal Family as well as their followers should meet the same high standards. This utopian proposition does nothing to enhance Farah's position with the most powerful members of the Royal Family, whose peccadilloes, malfeasances and misfeasances have been common gossip for decades, 2) she is also said to have urged the necessity of bringing young blood into Iranian economic, political and social institutions, and 3) that merit rather than connections be recognized as the basis of promotion and responsibility. The Shah has subsequently stressed this theme, although whether or not as a direct result of the Queen's position cannot be determined. Finally, the Empress is reported to have urged her husband to give sympathetic consideration to legitimate academic grievances of the students and to take prompt action when possible. This also may have had an effect on subsequent actions of the Shah.

The greatest weakness in Farah's position appears to be her lack of a mechanism responsible to her personally which could support her. Her power and influence derives from her position as the wife of the Shah. She has developed alternate channels using personal assistants—as separate from her official staff—to make her wishes known and to get things done, but this apparently has not developed into the kind of network and linkages which an ambitious Iranian needs for support.

Farah's principal asset seems to be her popularity with the population as a whole, something that probably no other member of the Royal Family except the Shah has achieved. Her candor and directness, her obviously genuine interest in the welfare of the country and her frequent sallies at bureaucrats and sycophants strike a responsive chord. She is, however, shut off from an interchange with a wider segment of the population by her staff, headed by Karim Pasha Bahadori who screens all material destined for her desk and apparently passes on only petitions concerning social and welfare cases.

If she became Regent the fact of her popularity would have to be taken into account by any other contenders for power. Whether this popularity would translate into effective support for her as a genuine leader, or whether she would be simply a figurehead for an ambitious politician only the event itself can tell.

The Crown Prince

Crown Prince Reza Cyrus was born in 1960. Now at age 15 he is getting increasing exposure to the public. He is more frequently mentioned as an individual engaged in individual activities rather than simply a member of the Royal Family.

Reza is being educated in the Reza Pahlavi School, which was specially created for the purpose. At the time of its founding, the school was said to have twelve students in addition to the Crown Prince, six boys and six girls all approximately the same age. The names of his classmates seem never to have been announced but the school is headed by Mrs. Homa Khosrowshahi-Zarrabi, a former classmate of Queen Farah. Classes are taught both in Persian and French.

Little solid information is available on the Crown Prince personally. He is said to be a mediocre student of average ability. Press stories offer little help in assessing Crown Prince Reza. He is described as "magnanimous," "generous," "protector of the weak," "always obedient" and "possessing an amazing intelligence," all virtues but all also phrases suffering from the same hyperbole that is obligatory when the Iranian press talks about the Royal Family.

In 1973, the Crown Prince was exposed to the provinces when he visited Meshed, a trip that did double duty; he attended the finals of the Crown Prince Soccer Tournament and made a religious pilgrimage to the Shi'a Muslim shrine of the Imam Reza. In mid-1974, he again made the papers as an individual when he was noted as having made his first solo aircraft flight; following that, the Shah decreed that "in the interests of the state" the Crown Prince would no longer fly solo but must always be accom-

*Lack of easy fluency in written Persian, and sometimes in spoken Persian has often been noted among those Iranians who have had a long foreign education, often starting when they were children. The more affected manners of some of the European-educated Iranians have been the subject of several satirical plays and books.

panied by a pilot.* In 1975, he was introduced on the international scene when he represented the Shah at the opening of the Suez Canal.

In the next few years, Reza will probably be given increasing public exposure and more ceremonial duties to perform. He has not yet been involved in any military-related activities but it seems likely that this too will follow. The Queen announced in mid-October 1974 that all of Reza's education would take place in Iran and that foreign visits would be limited to vacation periods. He will almost certainly receive some military training, perhaps attending the military college, but most of his education will probably continue to be in private. The security problems that will continue to exist suggests that attendance at one of the public universities would be too risky.

The Shah's opinion of his son's potential is not known. Mohammad Reza has been careful not to predict too much for his successor; "A king of the future will be able to do a great deal of good if he is willing. On the other hand, we are fixing things so he can do no harm." The Prince would be able to rule as he himself did if he is a "big man," and that was yet to be seen. "If he turns out to be a big man, he will be accepted as a father, but the kind of father we knew in our childhood. You listened to him. If the Crown Prince turns out to be an ordinary person he will find that his father had built a government structure that will allow him to rule in a less completely monarchical fashion."**

Pahlavi Forebears

To complete the record of the Pahlavis a few more words on the origins of the family are appropriate.

Early in his career as a national figure Reza Shah apparently gave some encouragement to a fictitious biography which connected him with the ancient Sassanian dynasty. He did not pursue this line himself but as late as 1948 some of his admirers were still propagating the tale. In actual fact the family cannot be traced earlier than the 19th century when, according to the most common versions, Morad Ali Khan and Abbas Ali Khan, Reza Shah's grandfather and father respectively, were landowners of some stature in the mountain village of Alasht in the Caspian Province of Mazanderan. Both are described as having been colonels in the Seventh Savad Kuh Regiment, designations which are perhaps misleading. In the time of the Qajars local notables were expected to raise levies of troops on demand of the Shah for use in military campaigns. The number of troops provided usually determined the military rank the commander might be given for the duration of the campaign.

Reza Shah's father, Abbas Ali Khan, was one of three brothers (see Figure 8); he had at least five wives. His first four wives bore him 32 children of whom seven sons and four daughters survived to adulthood. Three sons left their home village and went to Babolsar on the Caspian. These families are subsequently untraceable. The other four remained in their home village of Alasht and their descendents still reside there. Reza Shah was the only son of his father's fifth wife. The father died in November 1878 when Reza was barely eight months old. His mother Nush Afarin went to Tehran with Reza where she lived with a brother for several years. Nush Afarin subsequently remarried although her new husband's name is not on the record. She had another son who became a medical doctor in the Cossack Division.*

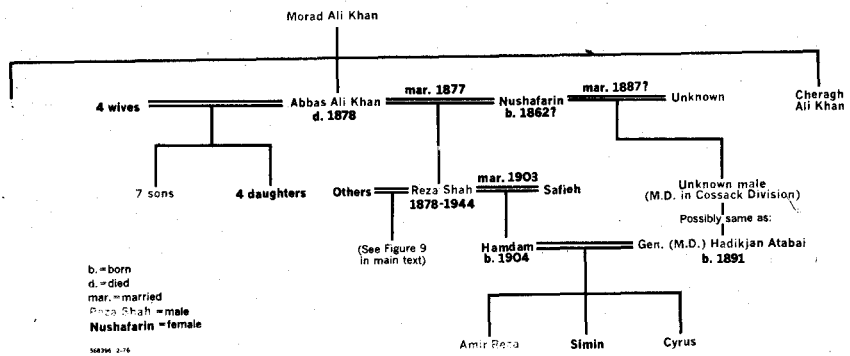
General Atabai

It is possible that Reza's half-brother was General (Dr.) Hadikjan Atabai who was in charge of the Army pharmaceutical department, probably in the 1930s. He is best known as Reza Shah's son-in-law, the husband of Reza's first daughter, Hamdam. Atabai is first found in an OSS report of 1942 where his name is given as Hadikjan. He transferred to the Ministry of Health in 1941 and in the same year he was arrested at the request of the British. Atabai had spent five years studying in Germany and had apparently been recruited by German intelligence. On his return to Iran he is said to have sent back reports to Berlin by concealing them in pharmaceuticals sent via Turkey. Later reporting in the sixties and seventies—when he has already dropped from view—confuses him with a relative, Abol Fath Atabai, who is a Court hanger-on.

*The Shah is himself an experienced pilot but at least in his earlier years showed a recklessness that made it more likely that he would die accidently than of natural causes. (See e.g., USAIR Tehran, 1,846 0124, 2 August 1965, SECRET NFD.)

**A. M. Rosenthal, "Shah selling oil to whom he pleases," *New York Times*, 31 March 1974 (Sunday), p. 16, col. 1.

*These details are from the only full length study of Reza Shah yet published (Donald Wilber, *Reza Shah Pahlavi, the Resurrection and Reconstruction of Iran, 1878-1944*, Exposition Press, Hicksville, N.Y. 1975, pp. 3-8.



A-8 Origins of the Pahlavi Dynasty

Many of the men Reza Shah chose to be generals had served with him in the Cossack Brigade. Since there could not have been many M.D.'s serving with the Cossacks, Atabai would be a logical candidate for the son of Nush Afarin and her second husband. This relationship would also account in part for the continued presence at Court of the Atabai family.*

Princess Hamdam

Princess Hamdam is one of the more obscure members of the Royal Family. She was Reza Shah's oldest child, born to his first wife. She is nearly 20 years older than the Shah and, rarely if ever sees foreigners. No personal evaluation of her is possible. Judging from the year of her birth, about 1901, she must have had little formal education.

She married at least three times, first to Lt. General Hadikjan Atabai, before 1924. Hamdam and Atabai had three children, Amir Reza (b. 1924) who in 1942 was reported to be serving with the German SS, a son Cyrus and a daughter Simin who married an American.

After divorcing Atabai sometime before 1948, Princess Hamdam married Engineer Behrun. She subsequently declared that marriage invalid, for unspecified reasons, and married a young Tehran lawyer, Amir-Aslani whom she divorced about 1948. There are several Amir-Aslanis but Hamdam's husband cannot be further identified. No subsequent marriages or children are on the record.

*Abol Fath Atabai, an undersecretary of the Ministry of Court and his son, Kambiz Atabai, a director general of the Ministry of Court.

ANNEX B

SAMPLE OF IRANIAN ELECTORAL CONSTITUENCIES

This annex examines in some detail four *Majlis* constituencies. Although the choice of constituencies has been governed mostly by the availability of information, they also illustrate the variety and types of influence which play a role in the election of deputies. Information on elections and personalities is generally adequate up to 1963 but inadequate for purposes of this paper since then.

Tehran

A large percentage of the politically articulate are concentrated in Tehran, and the city plays a major role in the country's politics. Special interest groups are important and electoral results have often been less predictable than in some other constituencies. After 1906 two groups made their weight felt in the selection of the Tehran delegation to the *Majlis*. These were traditional middle class professional and merchant elements and the religious elements. Their influence arose from their leadership of the Constitutional Revolution of 1906. Even under Reza Shah's dictatorship a certain number of candidates who had genuine popularity among these two groups were allowed to be elected on the theory that their numbers would be ineffectual and that their being elected would serve as some sort of palliative to complaints of election-rigging. Consequently men such as Mohammad Mossadeq, Ayatollah Modaress and Mohammad Taqi Bahar were frequently elected from Tehran even though the various governments that permitted their election knew these men would play an opposition role. Generally speaking, the number of popular candidates varied inversely with the strength of the central government but in any election a certain number were elected.

Four important Tehran families so established themselves in city politics that there was almost invariably a representative of the family in each Tehran delegation. Three of these families, the Emami-Khoy, the Behbehani and the Tabatabai dated their influence back to the 1906 revolution and the fourth, the Massudi, owed its influence to the fact that it published several of the most influential Tehran periodicals. Although each of the first three families rose to prominence because of its role in the revolution, the continued political importance was due less to the fact of public devotion than to a very practical talent for manipulating the bazaaris—the religious oriented, conservative merchants of the Tehran bazaar. Because of the prominent religious position of the first three families the often fanatically religious bazaaris were willing to follow their lead politically and to vote for whomever these families supported. All three families worked through street leaders to mobilize the bazaaris at election time and it was not surprising at one time to find the urbane Jamal Emami participating in a birthday party for Shaban Jafaari, nicknamed "The Brainless," a south Tehran thug who was prominent in the pro-Shah uprising against Mossadeq in 1953.

The essentials for election in Tehran have been government and court approval, though not necessarily active support. In no case in the four elections from 1947 through 1956 were candidates elected solely because of government support. Government approval, however, was given reluctantly and with the realization that some of the deputies would be in opposition.

A second essential was that the candidate be able to count on the loyalty of a sizeable bloc of votes. He might have them by virtue of his position and influence among the bazaaris, as did the Emamis, Behbehanis or Tabatabais; by virtue of the support of a professional society as did Mohammad Derakhshesh who had the backing of his Society of Normal School Graduates in the 18th *Majlis;* by virtue of the support of one or more political "parties" such as Mozaffar Baqai's Toilers Party, Khalil

Maleki's Third Force, the Iran Party, or Pan Iran; or because of purchase of support from one of the three families or from street leaders.

The third essential is an adeptness in log-rolling. Votes must be traded with other political leaders, purchased from them or as was the case with the Massudis, acquired from other political leaders in turn for favorable treatment in family controlled periodicals.

The floating uncontrolled vote was a factor in Tehran and every candidate indulged in a considerable amount of old fashioned electioneering, with newspaper ads, pamphlets and loudspeakers. This was true even with relatively well-controlled election.

Coalitions of candidates were invariably formed and there was a great deal of pooling of strength. On the basis of the 15th thru the 18th elections, the generalization seems justified that these coalitions were to some extent ideological as well as purely for personal convenience. In the elections for the 16th *Majlis* (1950), for example, a group of nationalist candidates headed by Mohammad Mossadeq formed an alliance which captured eight of the twelve Tehran seats. The only candidates strong enough to win without the support of this group were the heads of each of the four influential families. The nationalist coalition could deliver the votes of the Iran Party, the Toilers Party, various professional societies, the Kashani and Haerizadeh supporters in the bazaar, and a large group of independents among whom Mossadeq was popular. The central government was a fairly weak one and did not interfere against the nationalist coalition. In this *Majlis* the eight Tehran deputies plus a few allies from the provinces were able to gain absolute control of the *Majlis* because of the mobilization of their followers into huge mobs in Tehran. This bloc under the leadership of Mossadeq dominated Iranian politics for nearly three years.

The extent to which the traditional Tehran political forces have been superseded during the last ten years is not clear. Recent candidates have been chosen apparently on the basis of socio-economic grouping; guilds, businessmen or independents, all of course pledged to support the Shah's program. This would not, however, have prevented candidates from being supported by or pledged to the interests of traditional forces; only the names would be changed.

The New *Majlis* in Tehran

The Tehran delegation to the 21st, the "Reform" *Majlis* in 1963 showed a completely new set of faces. Deputies beholden to the four families are no longer clearly identifiable, and three new seats were added to the constituency. The Shah, instead of being one of several factors on the Tehran political scene was now, as everywhere else, the only one. He assigned Tehran's Mayor Ahmad Nafiey to help him in choosing reliable pro-reform candidates and in making sure that the subsequent voting went satisfactorily.*

The deputies which emerged represented the types which the Shah was interested in bringing into his brand of representative government: women, labor, guild members and businessmen.

The three women deputies had all been active and well-known in women's societies, female education and charities. Their prominence in these fields was probably the major factor in their being chosen. The Moslem clergy was opposed to them on principle but this, of course, had no effect on the outcome of the elections. The women—all establishment types—campaigned sporadically and mostly for appearance sake and they apparently did not campaign at all among the lower class women who form the bulk of the female population. Characteristics which probably played a role in their selection are set forth below:

> Jahanbani, Showkat Malek—daughter of a Qajar prince, married to a cousin, another Jahanbani. One of the top 40 families.
>
> Parsai, Farokhru—wife of General Shirin-Sokhan. Her father was a journalist and her mother was one of Iran's early suffragettes.
>
> Tarbiyat, Hajar—widow of Mirza Mohammad Ali Tarbiyat, a *Majlis* deputy from Tabriz for six sessions between 1909 and 1940. She was close to the deputy from Kermanshah, Mrs. Mehrangiz Dowlatshahi, an influential women's leader.

The labor interest was represented by three men. All had only a primary education but had been active in labor syndicate affairs and apparently had some

*Nafiey was responsible for metropolitan Tehran. Other officials were assigned responsibility for labor, education and the intellectuals. Inasmuch as these are concentrated in Tehran there must have been some conflict with Nafiey but how this affected the outcome is not clear. One of Nafiey's accomplishments is clear, however. He was also responsible for women's organizations and his wife was elected from Kerman.

following. Given the role of the security forces in monitoring and directing labor affairs these men were clearly "safe," and were probably personally known to Labor Minister Khosrowani who was responsible for the labor and syndicate vote. Other characteristics follow:

> Amir-Ahmadi, Ahmad- had been affiliated with the political group organized by former Tehran Mayor Forud and veteran political operator Assadollah Rashidian.
>
> Saebi, Heydar -had been once associated with the political party of the deceased conservative politician, Seyed Zia Tabatabai. He apparently played a significant role in the activities leading to the overthrow of Mossadeq since he was awarded the 28th Mordad medal which was given to civilians who were active at that time. He may actually have been a government agent; he had associated with but not joined the Tudeh Party and then switched abruptly to oppose both the Tudeh and Mossadeq.
>
> Seyfi, Amir Ali—belonged to Iran Novin workers organization and had been active in labor affairs for many years before.

Two men representing guilds, four identified as civil servants and one businessman completed the roster for the 21st *Majlis*.

One-third of the deputies who were elected in 1963 held office until 1975. There was some turnover in each election. In all, the 68 seats which were available during those three elections, were shared by 39 different deputies. One of the three original female deputies served all 12 years. A second served eight years and was then appointed to the senate by the Shah and a third, after serving five years, became Iran's first female Cabinet minister, Minister of Education, which she held until 1974. Two of the three labor representatives served until 1975 and the third one went to the Tehran City Council.

In general, information is insufficient to indicate why a deputy was replaced. Nearly all, however, moved on to positions befitting a former *Majlis* deputy. Several of them served on the Central Committee of Iran Novin. Fifty to sixty percent of the deputies were re-elected each time for the 22nd (1967) and 23rd (1971) *Majlis* and the proportions of the various groups remained about the same.

The mid-1975 elections for the 24th *Majlis* showed a greater turnover which compared to the situation nation-wide. Only seven out of 27 incumbents were re-elected. One was the 69 year-old speaker of the *Majlis* Abdollah Riazi, who was first elected in 1963. He has been close to the Shah who apparently likes the tight, schoolmasterish control he exerts over the *Majlis*. The deputy speaker Hossein Khatibi was also re-elected. Two other deputies have served two previous terms and four others have served one term before. One labor member was returned to the *Majlis* after being absent for eight years.

The Tehran delegation now shows six persons identified as workers, five women, five guildsmen, four professionals, four government officials and three business men.

Rey

Six miles south of Tehran, once a separate village but now little more than a suburb of the capital is the town of Rey. It is best known as the site of an important religious shrine, Shah Abdol Azim and of the tomb of Reza Shah. Because of its proximity to Tehran it has usually fallen strongly under the influence of Tehran's political forces.

The 1947-1960 period illustrated the functioning of two major influences, a strong prime minister and the clergy. The Shah, still contending for ultimate power, was a secondary influence. During this period, covering five *Majlis* sessions, two men alternated in the single seat from Rey. Mehdi Mashayekhi, a political opportunist who has "shown a devotion to only one calling in life, that of a large scale crook," was a protege of a strong prime minister in two elections and had the benefit of his incumbency and no other acceptable candidates in a third, although he had no roots in the constituency.* In two other elections a prominent lawyer, Dr. Mohammad Ali Hedayati, custodian of the religious shrine was elected. His family has held this position for 300 years. Hedayati also was close to the Shah but this was insufficient to win him the seat in those elections when he did not have the Prime Minister's support.**

As in other constituencies, the deputies from Rey looked different in the "reform" period, 1963 to 1975

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*15th *Majlis* (1947) Prime Minister Qavam; 18th *Majlis* (1957) Prime Minister Zahedi; 19th *Majlis* (1956) Prime Minister Ala as weak minister. The Shah would probably have preferred Hedayati but the latter had meantime been appointed to the UN. The fact that Mashayekhi was elected suggests that he had persuaded the electorate that he was "safe," no matter what his previous record had been.

**16th *Majlis* (1950) Prime Minister Ali Mansur, 20th *Majlis* (1960) Prime Minister Manuchehr Eqbal. The Shah's support did give Hedayati the position of alternate deputy in the 18th Majlis meaning he would have replaced Mashayekhi had the latter been eliminated for some reason.

Deputies From Rey
(1963–1975)

21st Majlis (1963–1967)	Hadi Hedayati
22nd Majlis (1967–1971)	Fazlollah Motamedi
23rd Majlis (1971–1975)	Qassem Mashayekhi
	Hedayat Eslami-Nia

The influence of the government and the Court, now coalesced into the Iran Novin Party, was predominant. The choice of another Hedayati suggests that the party felt it useful to have a familiar name from Rey, even though Hadi was so little esteemed by his law students that they refused to accord him the usual courtesy of rising when he entered the classroom. But he was on the executive committee of the Iran Novin Party and close to the then party leader Hassan Ali Mansur. From the *Majlis* Hedayati was appointed to the cabinet as Minister of Education, a post which he held for less than a year when he became a Minister of State, a position he still holds.

In 1967, Fazlollah Motamedi got the nod, for reasons which are unclear. He was, however, a friend of the Minister of Posts, Telephone and Telegraph, Fathollah Sotudeh, which may have been the determining factor.*

*He is not to be confused with another Fazlollah Motamedi, a senior civil servant who served as a governor-general and has most recently been an undersecretary in the Ministry of the Interior. The relationship of the many Motamedis is unclear, and the deputy's credentials for the post may be better than the scanty information indicates.

Rey had two deputies in the 23rd *Majlis*. Again a familiar name appears, Qassem Mashayekhi, a career civil servant in the Ministry of Information, perhaps related to the former deputy from Rey; he appears to have no other particular qualification. Hedayat Eslami-Nia was another unknown. He apparently has been a minor bureaucrat and has been on the Central Committee of the Iran Novin Party which suggests useful connections somewhere.

Birjand

An outstanding example of the persistence of traditional forces even in an apparently reformist period is seen in eastern Iran—the fiefdom of the Alam family, centered on Birjand. Although there has been competition within the family for leadership there have been only sporadic efforts—none successful—to challenge the family's control, which goes back at least a century and a half.

The relatives or clients of the Alam family who have held seats from Birjand have been determined more on the basis of family politics than on any wider considerations. There are two factions in competition, the Alams and the Khozeimeh-Alams. The situation has been complex and only partially intelligible in the absence of information on local political dynamics. The essentials are set out in the following chart.

Birjand

Majlis Session	Deputy	Special Qualifications
9th–17th (1933–1953)	Mohammad Ali Monsef	Brother-in-law of Amir Assadollah Alam, although he was violently opposed to Mossadeq, family influence was strong enough to get him elected even to the Mossadeqist-dominated 17th Majlis.
18th–20th (1953–1963)	Amir Hossein Khozeimeh-Alam	Cousin and brother-in-law of Amir Assadollah Alam and Alam's main rival within the family.*
The Reform Period		
21st–22nd (1963–1971)	Abol Fazl Soleimani	Protege of Amir Assadollah, son of his elementary school teacher, Sheikh Ahmad Naraqi. Naraqi had also been a deputy from Birjand.**
23rd (1971–1975)	Amir Alam-Khozeimeh	No background information but clearly a member of the family.
24th (1975–1979)	Amir Khozeimeh-Alam	Probably identical.

*After this session Khozeimeh-Alam was appointed Senator, a post he still holds.
**Soleimani, after leaving the Majlis, was appointed a director general in the Ministry of Court.

Seistan

South of the Alam stronghold of Birjand, in another province but still in the Alam orbit is the Seistan constituency. Here also the Alams have generally dictated the choice of deputies. The constituency is a large desert area with scattered villages and some nomadic Baluchi tribes. A border area, it normally has had a substantial military garrison. This situation normally would mean that a military-tribal coalition chose the deputies, but in this case tribal influence is secondary to that of the Alams, although the latter favor Baluchi chiefs as their candidates.

The characteristics of the representatives from this constituency has changed very little over the decades. The Alams seem to take into account local sensibilities; the area as a whole is mostly Baluchi and

Seistan

Majlis Session	Deputy	Special Qualifications
15th (1947)	Abdollah Vossuq Etemad ed-Dowleh	Brother of the then prime minister, Ahmad Qavam. His election probably *quid pro quo* with Qavam supporting Alams in Tehran; Shah at that time was second to Qavam in political influence.
16th (1950)	Amir Hossein Khozeimeh-Alam	(See Birjand; he moved to that constituency in the 1953 elections.)
17th (1952)	No election	
18th (1953)	Jehangir Tafazoli	Assadollah Alam elected but resigned in favor of Tafazoli; may have been reward for Tafazoli's aid to Shah during overthrow of Mossadeq.*
19th (1956)	Ebrahim Pordeli	Baluchi tribal chief, Assadollah Alam protege.
20th (1960)**	Ebrahim Pordeli Amanollah Rigi	Alam elected but he resigned in favor of Rigi who is an oil company employee. Baluchi tribal chief.
The Reform Period		
21st (1963–1967)	Amanollah Rigi (Zahedan) Mohammad Hossein Narui (Zahol)	Little known, a chief of the Narui Baluchis. Relative of Pordeli.
22nd (1967–1971)	Amanollah Rigi (Zahedan) Ebrahim Pordeli (Zabol)	
23rd (1971–1975)***	Amanollah Rigi (Zahedan) Mohammad Hossein Narui (Zahedan) Esmail Khozeimeh (Zabol)	63 year old son of Samasamed-Dowleh, a member of the Alam family and one time deputy governor of Seistan.
	Mohammad Hossein Rahbar (Zabol)	A protege of Amir Assadollah Alam.
24th (1975–1979)	Khodadad Rigi (Zahedan) Bahman Barakzai (Zahedan) Ebrahim Pordeli (Zabol) Mohammad Hossein Rahbar (Zabol)	Retired gendarmerie officer. A Rigi Baluchi. He is from the Barakzai Baluchi clan. Replaces Narui.

*Tafazoli was part of the agent network of Ahmad Aramesh who in turn was associated with the Rashidian organization, all of whom played an influential role in the overthrow of Mossadeq. For background see US Embassy Tehran, Desp 171, Sep 26, 1955. (Secret)

**Constituency divided into two seats: Zahedan and Zahol Districts

***Enlarged to four seats, two each Zahedan and Zabol.

so men recognized as Baluchi leaders usually have support of the Alam family. In the last 20 years no complete outsider has been selected. In the city of Zahedan where there are a large number of Zabolis, Kermanis and Yazdis all of whom are in business competition with the Birjandis who also live there, a Birjandi has not been chosen since 1950. The ruse by which Tafazoli received his seat in 1953—Assadollah Alam was elected but resigned in favor of Tafazoli—suggests some caution in ramming an outsider down the throats of the electorate in a too obvious manner. A similar maneuver in 1960 enabled Amanollah Rigi to obtain his seat. Why this was necessary is not clear because Rigi was well-known locally.

The Alams and the Khozeimeh-Alams may have decided to divide the Seistan representation between them. In the 21st and the 22nd *Majlis* elections it appears that the Zahedan deputy was the Alam choice and the Zabol deputy was the Khozeimeh-Alam man. In the 23rd and 24th sessions—now with four seats to divide—both families are represented in each constituency.*

Given sufficient information it is probable that a similar pattern would emerge in many constituencies, i.e., the persistence of traditional local forces but in a new guise. Few are as obvious as Birjand/Seistan and one might speculate that those areas where a single power has been dominant have been more successful in maintaining power than those areas where shifting coalitions have been the rule. If information were available it might be found that the urban areas show a greater loss of influence on the part of the traditional elites because of the breakdown of the old political machinery and the rise of new sources of power. But these speculations remain to be tested.

*Rigi (Zahedan) and Rahbar (Zabol) for the Alams and Barakzai (Zahedan) and Pordeli (Zabol) for Khozeimeh-Alam.

A Comment on Sources

A large number of sources, both classified and unclassified, have been used in the preparation of this study. Perhaps a score of the unclassified documents, books, monographs, articles and privately circulated papers have been the most useful. Some of them are mentioned in the footnotes and all are listed in a separate bibliography, available on request.

Several hundred official documents spanning more than three decades have been used. Most of them are Foreign Service despatches with CIA field reports and military-produced documents second and third in numbers and importance. None of the reporting, of course, was designed specifically to meet the needs of a study such as that attempted here.

Through the thirty-year span the reporting, as might be expected, has varied greatly in quantity and quality, reflecting not only the state of knowledge of the individual officers but also assumptions, mostly unspoken, about the importance of Iran to the United States and equally undefined judgements about the relative value of Iranian institutions. Some of the most valuable reporting grew out of the personal interests of the officers concerned. Mandatory reporting seems to lose its value more quickly.

The core data used for this paper is biographic information in the broadest sense. This data is voluminous, but often breaks down at points which are of major importance for elite analysis. The older biographic information seems to be more sensitive to the nuances of family relationships than later reporting. Social background information also tends to be scanty, and information on spouses or on fathers and mothers is rare. The paucity of background information on military officers constitutes a serious gap in view of the potential power of the armed forces to affect domestic politics. A specific effort to create profiles of officers at the general officer, the field grade and the company grade level would be a valuable tool for gaining some appreciation of military attitudes in the post-Shah era.*

Honorable mention should be made of several embassy reports of the past which are still worth reading; a series of reports on the Shah between 1951 and 1967 provide an essential background for understanding the monarch and his development. They are well-written, analytical and successfully portray the Shah in the context of his family, politics and traditional society. Although Mohammad Mossadeq has been dismissed with only a mention in this paper, he still exerts a strong influence on many Iranians, including some whom he would have been the first to disavow. A 1952 despatch examines Mossadeq in detail but, more importantly, provides a background for the nationalist appeal which is still valid. In 1959 the Consulate in Meshed prepared a despatch in which it examined about 120 personalities from the Meshed and Khorassan areas. In many respects it is a model of its kind, skillfully weaving together the multiple strands of family, personal and political ambition and intrigue together with provincial and national considerations. Although now 17 years old, this despatch is still valuable for anyone attempting to understand provincial politics. If a

*The concept of "biographic intelligence" rather than biographic information might be useful. This concept would see an individual, or a group of individuals, in the context of family, society and bureaucracy, examining not only personal opinions and attitudes but also how germane these attitudes are in the larger context. Some biographic reporting has approached this and it seems well within the official reporting capabilities.

similar study were available today there would be a unique opportunity to examine in detail how this very traditional area has responded to the great changes of the last decade.*

In biographic reporting one series of CIA field reports stands out. In 1961 several nationalists, supporters of Mossadeq, were interviewed in depth. This resulted in reports which detailed their thinking, their hopes and their aspirations. In retrospect, these reports probably did not receive the consideration they should have. The generally held belief at the time that the nationalists were finished—as in one respect they were—and therefore of little importance led to failure to consider how deep and widespread their concerns were. In an intensified and more virulent form these concerns are now being expressed by the succeeding generation in assassinations, bombings and terrorism.**

Coverage of Iranian institutions has been spotty, especially in the last decade. Preoccupation with the Shah as the main actor on the Iranian scene has led to a neglect of the other elements of government and society with which the Shah must work or contend.

Since the Shah attained his pre-eminent position the *Majlis* has been considered as simply a rubber stamp for the monarch's policies. It has, therefore, not been examined in the last 15 years with any of the thoroughness which was the case in the 1950s. Information on the present operation of the *Majlis*, the power that it does have to influence government programs, initiate its own programs and otherwise function as a parliament would provide a basis for comparison with earlier periods.***

The religious community, even though a principal opponent of the Shah, is little known. Several embassy reports in the late 1950s and early 1960s provided a very useful basis of information for understanding the role and function of the religious leaders. A steady trickle of CIA field reports throughout the years and continuing to the present have provided an invaluable glimpse of Soviet interest in and contacts with the clergy as well as occasional information on religious attitudes toward the government. Lacking, however, is the information which would provide a sense of structure to the religious community; the relative influence of the various religious leaders, areas of society (e.g., bazaar, intellectuals, townspeople) where each has influence, the function and influence of village and small town mullahs and their relationships with civil officials. A 1974 despatch from the Consulate in Tabriz provided a rare glimpse of the function of religion in a small Azerbaijan town during one of the periods of ecclesiastical mourning. The persistence of traditional ceremonies in spite of official discouragement, the participation of local officials (and not on grounds of expediency) and the exclusive use of the local Turkish dialect in the ceremonies (Turkish is illegal as a written language) all give useful indications of local attitudes. There is nothing comparable from other areas, however, and Azerbaijan has its own peculiarities which may not be reflected elsewhere.

The scarcity of information on the business-financial-commercial community has been noted in the body of this paper. No reporting has touched on the intricacies of commercial and family relationships, the function of the bazaar, if it still has a function, in the business community, or the social and political attitudes of the business sector.

*There is no similar body of material available for any other area of the country.

**While recognizing the delicacy of such contacts, the author is constrained to point out the lack of first-hand information from opposition (not necessarily terrorist) elements. The necessity of relying on extra-governmental sources for such information is unsatisfactory because of the difficulty of judging the objectivity of such sources. The last extensive examination of the opposition was in 1965.

***The last comprehensive evaluation appears to have been done in 1952.

A. Political and Political-Military Sections

1. Political

The work of the Political Section covers the usual functions of assessing political developments and situations, making recommendations regarding political aspects of our actions, programs, and policies, and backstopping the Ambassador and the DCM.

The Political Counselor, George Lambrakis, supervises the work of the section and acts as advisor on political affairs to the Ambassador, the DCM, and others in the Embassy. He is the section's primary liaison with the Ministry of Foreign Affairs and generally does a fair amount of the reporting on Iran's foreign relations.

John Stempel, the deputy head of the Political Section, covers major domestic events, serves as Narcotics Coordinator, and reports occasionally on foreign relations. In addition, he is Consular Coordinator--the Embassy's principal point of advice to and liaison with our consulates in Tabriz, Isfahan and Shiraz.

Mrs. Joanna Martin has concentrated her work in the area of foreign relations with some time spent on domestic politics and biographic reporting.

Howard Hart also backs up the Counselor in the area of foreign relations, specifically Persian Gulf matters.

Waldimir Skotzko has responsibility for labor affairs.

There are five full-time secretaries in the Political Section. In addition, a local senior political advisor (Mr. Jaffarbhoy) and the Embassy's senior translator (Mr. Petrossian) are assigned to the Political Section.

2. Political-Military

The Political-Military Section is headed by a Counselor, Robert Martin, who monitors from the standpoint of policy considerations the largest U.S. arms sales program in the world. This entails working closely with the chief of

ARMISH/MAAG and the heads of the three service sections, as well as with General Toufanian, the Vice Minister of War, and other key figures in the Military Industries Organization and the individual Iranian services. The Counselor advises the Ambassador, the DCM, and others in the Embassy on political-military questions, and is responsible for ensuring that policy guidance is implemented by the Mission military elements, especially in the security assistance area.

James Higham is also in the Political-Military Section with back-up responsibilities.

There is one secretary, who also assists the Political Section as time permits because space limitations require the sharing of an office suite.

A. POLITICAL SECTION SUMMARY

1. Domestic Affairs

The Shah is the unquestioned leader of the modern Iranian state. His almost unchallenged domination of the political scene rests on 2,500 years of monarchial tradition and his own extraordinary skill in exercising his powers for the benefit of the nation (see Tab A 1). He has presided over almost unprecedented economic development over the past decade--which has brought its own problems--and achieved for Iran an impressive international stature which has created popular pride in the country's achievements (see Tab A 2 for review of the Royal Family's place in Iran).

For the past twelve years, Amir Abbas Hoveyda has been Iran's prime minister and the Shah's faithful lieutenant. Hoveyda's power rests on his ability to perform the role of government manager and his capacity to anticipate the Shah's wishes and carry them out effectively. He presides over a cabinet of technocrats and has shown himself unusually adept at balancing off the rivalries, anxieties and skills of such powerful potential rivals as Rastakhiz Party SYG Jamshid Amouzegar, Minister of Economy and Finance Houshang Ansary, and others who hold cabinet portfolios.

Iran's political evolution has moved more slowly (see Tab A 4). Despite past periods of political importance, Iran's parliament, consisting of the Majles (lower house) and Senate (upper house), has been almost completely dominated by the Shah for over a decade, though he scrupulously observes the letter of the Constitution which requires parliamentary legitimization of legislation. Much of the history of the past 25 years is the Shah's attempt (largely successful) to establish his political power in the face of radical challenges (some of them represented in Parliament, in the past). He has done so by astute political manipulation and by maintaining the absolute loyalty of the military and of the security serivce, SAVAK. On the way, organized political opposition has either been coopted, dropped out, or been reduced to virtual impotence. Small, dedicated groups of terrorists holding extreme fundamentalist Moslem or radical leftist views are a significant nuisance but not now a serious factor in Iranian politics. Right-wing fundamentalist Moslems and some intellectuals and students remain disaffected to varying degrees. Labor has not been a major political factor in Iran since the Mossadegh period, but wildcat strikes over the past 18 months have shown enhanced economic muscle, if not organizational capacity.

While Iran experimented with multiparty politics for many years, there was little political institutionalization. It would appear that the Shah considered Iran's multiparty Parliament an alien concept borrowed from the West. By the 1970s he evidently was disillusioned by what he judged to be weaknesses in the West deriving in part from the multi-party systems which mirrored a similar lack of success in Iran. In March 1975, reverting to a more traditional Iranian past, the Shah declared Iran a one-party state and created the Resurgence ("Rastakhiz") Party of the People of Iran (RPPI) (see Tab A 3). It absorbed both parties: the New Iran Party, and (opposition) the Iranian People's Party. The RPPI permits reasonably free debate within party groups and is becoming an instrument for political education, participation, and interest articulation. The RPPI is not a government party in the traditional sense, but performs a watchdog role vis-a-vis the Cabinet, Parliament and ministries. It is currently undergoing a complete reorganization under the new Secretary-General, Jamshid Amouzegar, and his team of energetic young political technocrats, most of whom are American-educated.

The Shah's political program is based upon the Shah-People Revolution, originally a reform program launched in 1962 and later expanded to a total of 17 points. The program languished somewhat in the early 70's after the first surge of land reform and the creation of Literacy, Health, and Development Corps modeled on the U.S. Peace Corps. The "Revolution" received renewed impetus in the late 1975 when a worker share-participation scheme, an anti-profiteering campaign, and free education became part of its program. Publication of the Party "ideology" was the non-event of the October 1976 Party Congress, and underscores the very pragmatic, development-oriented character of the regime.

There is little prior press censorship, but editors exercise innate caution based on certain understood rules of behavior. Denigration of the Shah, the Monarchy, and policies and programs directly espoused by the Shah are not allowed, but the government is frequently criticized for its failings. The Iranian judicial system is a pragmatic blend of French, British and traditional Moslem law, but crimes related to national security are tried by military courts, which do not observe some of the individual legal protection provided by civil courts. From the Shah down, Iranians have increasingly taken a hard line towards external criticism of the country's human rights situation.

Iranian society is in a state of transition, and future projections are difficult, because the formal group basis of politics which underlines most Western countries does not

yet exist. The modernizing middle class does not yet have significant political consciousness, yet it has the largest stake in continuation of the present regime. A substantial number of reactionary Moslem elements exist but are in political disarray. Intellectuals and students are divided over whether they want in or out of the political system.

As Iran encounters increasing difficulty managing economic development, and political participation grows concurrently through development of the Resurgence Party organization, the result is likely to produce some limits on political activity counterbalanced by increased criticism of foreigners. Making the adjustments in attitudes and behavior necessary to run its emerging society will not be an easy process. Oblique accommodation, not confrontation, will remain the quintessential Iranian political style, and at least for the near future personalities will continue to be significantly more important than institutions and doctrines. Should a succession crisis occur within the next 5-7 years, the Regency Council under the Empress' leadership backed by the military would hold the country together initially, but power could dissipate very quickly if the centrifugal forces of change drove various groups and factions to put their own interests ahead of unity and stability.

U.S. interests lie in maintaining close relations with Iran to encourage modernizing elements which support policies generally favorable to American interests. As domestic tensions grow, this will require substantial diplomatic finesse, forebearance in the face of occasional hostility, and a willingness to speak frankly and honestly to defuse problems before they become disruptive. While recognizing that the Shah is truly dominant in modern Iran, we must maintain and expand our bridges to other groups in Iranian society so as to become more aware of those trends and forces that will dominate the jockeying for power in post-Shah Iran (see Tab A-3).

The degree of U.S. educational influence in the present Iranian government can be shown by the fact that over 60 percent of the present cabinet ministers received all or part of their education in the U.S. (see Tab A 10).

POL:JDStempel

2. Foreign Affairs

Over the past decade Iran has gradually been assuming a more and more independent stance in world affairs. As the Shah has gained confidence, and the economy improved steadily, the Shah has leaned less than before on Western--specifically U.S.--political guidance. He has instead tended to stake out positions which he felt to be in Iran's national interest with less regard than in the past as to whether these coincide with those of the West, the East, or Third World countries. There is nevertheless a limit to how far he has allowed himself to go, in view of Iran's basic need for a continuing Western interest in Iran's independent national survival.

U.S.-Iran:

The lynchpin of Iran's basic pro-Western policy is its relationship with the U.S. This relationship is increasingly multifaceted. Iran's dependence on the U.S. as the only superpower with the potential to counter Soviet pressure has led Iran over the course of time into a heavy investment in American weaponry, technology, and general way of life. Unstated but clearly understood has been Iran's confidence that the U.S. is far enough away and disinterested enough in its policy not to represent the kind of threat to Iranian sovereignty which other powers that have balanced Soviet pressure in this part of the world came to represent to Iran--notably the British. In the process the Shah has permitted a number of sensitive U.S. intelligence operations and installations in Iran, from which he has derived the benefit of closer intimacy with the U.S. intelligence community.

The private as well as governmental sectors of the Iranain economy have mirrored Iranian respect for U.S. know-how and products. Trade with the U.S. tops that with any other single country and students generally go to the U.S. when they leave Iran for technical or other studies. On the other hand, trade with Europe, the Soviet Union, and other parts of the world is not that far behind, and Iran's values are clearly not as Americanized as those of countries sharing U.S. culture from the same West European antecedents. Such factors are useful as background to assessing the current state of U.S.-Iranian relationships.

As the most populous, strongest and (with Saudi Arabia) largest country in the Middle East, Iran has aspired over the decades since World War II to a regional role of leadership. While

handicapped by the non-Semitic origins of its people, the fears engendered by vague memories of Iran's ancient empire, and the rivalry of other budding nationalistic peoples such as Iraq, Iran has sought to carve out its role of leadership with the assistance of Western, particularly U.S., technology. The Nixon Doctrine came to mean for Iran U.S. willingness to recognize Iran as a power which would help preserve regional stability in the general interests of the West and which would be assisted in arming itself so that more direct USG intervention would be unnecessary. Following the U.S. withdrawal from Vietnam, the Shah has made it abundantly clear he does not count on the U.S. for direct military intervention and has some doubts as to U.S. consistency of policy in political support of Iran against neighboring regimes such as Iraq which have enjoyed consistent Soviet support. This provides one of several different justifications for Iran's arming itself with the most modern and effective weaponry available.

With the change of U.S. Administrations questions have arisen in the minds of the Shah and of his advisors as to changes in U.S. policy which might produce certain strains. One relates to continuing defense supply and advisory-technical assistance. The Shah is uncomfortable in the presence of Congressional rumbling about Iran being overly armed and the new Administration's public commitment to smaller defense expenditures, more emphasis on disarmament, and closer scrutiny of arms sales abroad. The Shah is looking for evidence that these concerns will not change basic U.S. arms supply policy toward Iran.

An area which has moved more to the forefront over the past six months has been human rights, due partly to U.S. Congressional and press interest and partly to the Carter Administration's having adopted it as a leading issue in international affairs. The Shah and his advisors are concerned lest Iran's differences in that area with the situation existing in the U.S. and many West European countries spill over into (or "link" with) the more basic security and defense relationship. While petroleum resources provide Iran the wherewithal to make its own way economically and in terms of its own social development, the Shah perceives that there is no substitute for the U.S. relationship in security affairs if Iran is not to slide into a "Finlandized" dependency or worse in relation to the Soviet Union. Therefore, U.S. attitudes continue to get very close study even within the context of a purportedly non-aligned foreign policy.

Iran-USSR:

While Russian pressure or intervention in Iran is an old story, Iran-Soviet relations improved following an understanding reached in 1962 by which the Shah made a statement

that Iran would not permit installation of any foreign missile bases on its territory. Relations between the two countries have steadily improved, marked by a considerable expansion of trade in recent years. Periodic strains have, however, occurred. During 1976 the Soviets tried to pressure Iran on its strong ties with the U.S., particularly in the defense field. Iranian suspicions were aroused that the USSR might support a higher level of opposition activities, particularly Tudeh Party broadcasts from abroad. These strains have appeared to subside since then, perhaps partly owing to Iran's return of a Soviet aviator who tried to defect in a civilian aircraft in September 1976. After considerable soul-searching the Shah decided this case came under the provisions of a bilateral Iran-USSR anti-hijacking treaty. Nevertheless the Shah and most Iranians still harbor fundamental suspicions about the USSR's long-term objectives toward Iran and the Persian Gulf area generally. A new Soviet Ambassador arrived in February this year; Vladimir Vinogradov is one of the USSR's most experienced diplomats in Middle Eastern affairs.

Iran-PRC:

In August 1971, following a visit by Princess Ashraf to Peking, Iran recognized the PRC as "the sole legal government of China," an act which led to suspension of relations with the Nationalist Chinese. Exchanges of Parliamentary and other good will delegations occur periodically, but there has been little of economic or cultural substance in the relationship. Iran and the PRC both cling to the image of a close mutual relationship as an additional lever against the Soviet Union. In this connection, China has expressed public support for Iran's proposals on (a) an Indian Ocean zone of peace, (b) a nuclear free area in the Middle East, and (c) Persian Gulf mutual security arrangements, all positions of importance to Iran. A new PRC ambassador is expected to arrive in March.

Iran-Iraq and Persian Gulf Relations:

Iran's longstanding quarrels with Iraq were brought to a considerable degree of mutual accord in 1975 (at Algiers) when in effect Iran agreed to stop supporting the Kurdish insurrection in Iraq in return for Iraq agreeing to the Iranian position on the correct boundary between the two countries in the oil-strategic Shatt-al-Arab region. Subsequently, exchanges of delegations have produced a host of other bilateral agreements so that the relationship today between the two countries can be characterized as wary but no longer openly antagonistic.

Iran's military occupation of the (uninhabited) Tunbs and Abu Musa islands in the Persian Gulf right after the British withdrawal in 1971 got Iran's relationship with the Arabic Persian Gulf states off to a rocky start. However, the relationship has steadily improved as a result of several factors, including (a) Iran's formal relinquishment of its long-asserted claim to Bahrain, (b) Iran's cooperation with other OPEC countries, including in particular Saudi Arabia, and (c) Iran's settlement of some of the issues with Iraq, mentioned above. Concurrently, however, Iran's military buildup, coupled with Iran's provision of what amounted to an expeditionary force of several thousand troops and some aircraft to Oman in connection with the Dhofar insurgency, have continued to raise suspicions on the Arab side of the Gulf which have operated against the formal conclusion of any mutual security arrangements of the type Iran has been pushing. After an Iranian F-4 "Phantom" was shot down by the South Yemenis (PDRY) on the Dhofar border in November 1976, Saudi Arabia proved to be a useful intermediary in arranging the return of the pilot, of the co-pilot's body, and salvage of the aircraft remains from PDRY territorial waters. The current irritation between Iran and Saudi Arabia over leadership on pricing policies within OPEC might prove to be only a ripple that will soon be forgotten or--if prolonged--could significantly contribute to traditional Arab distrust of the large Iranian neighbor. Meanwhile, the Shah appears to have reconciled himself to the absence of any quick movement toward a formal Gulf security pact and to be hoping for the gradual evolution of satisfactory Gulf security arrangements. It is, of course, a fact that Iranians are adamant on using the terminology "Persian Gulf," while Arabs have grown used in recent years to a rival term, "Arab Gulf."

Iran and the Arab-Israeli Conflict:

Iran supports a resolution of the Arab-Israeli conflict along the lines of UNSC resolutions 242 and 338. It encourages moderate Arab leadership and maintains close, friendly ties with Jordan's King Hussein, Egypt's Sadat, and Syria's Assad, as well as with several Lebanese leaders. Financial contributions and transfers of weaponry (the latter in Hussein's case) figure in this relationship. In the U.N., the I.L.O. and other international fora Iran will usually try to avoid recording a vote on Arab-Israeli questions, but will vote for the Arab position if a vote cannot be avoided. Iran has, in this connection, criticized or condemned Israeli actions on the West Bank and elsewhere. At the same time, Iran maintains a fruitful private relationship with Israel. Senior representatives are resident in each other's country even though diplomatic

relations do not formally exist. Intelligence information is exchanged regularly, and several Israeli technical assistance projects in agriculture and other fields are underway in Iran. Despite the Arab oil embargo, Iran has never cut its flow of oil to Israel and today provides 50 percent of Israel's oil requirements.

Iran-Western Europe:

Iran's relationship with the major West European countries has a long history. Due to British control of neighboring countries, and their occupation on two occasions of Iranian territory, the British have more often appeared as a threat than as useful friends in the past. However, there is considerable evidence that the Shah has relegated Britain to a secondary position in world politics and looks pragmatically to economic and military sales advantages in his relationship with the UK today.

In the German case, very close relations existed through the late 1920s and 1930s, with Reza Shah himself often suspected of pro-German sympathies by the allies, a factor which directly contributed to his abdication in favor of his son in 1941. This relationship has been partially re-established, as West Germany is an important trading partner of Iran today.

French influence in Iran, as in so many other countries in this part of the world, has traditionally been cultural. French was the preferred foreign language in the educational system prior to World War II, and an abiding admiration of things French in the cultural field has been reinvigorated by Empress Farah, who has close ties to France. President Giscard d'Estaing was the last prominent Western chief of state to visit Iran (October 1976).

Iran's relations with smaller nations such as Switzerland, The Netherlands, or Sweden have at times been rocky over the issue of human rights. An Iranian expatriate raid on Iran's Geneva mission in 1976 was followed by Swiss expulsion of a Mission member on the basis that he was engaging in illegal intelligence activities. This aroused the Shah's ire to the extent that he not only retaliated by the expulsion of a Swiss diplomat from Tehran but has not returned to Switzerland for his traditional annual skiing vacation since. Similar imbroglios have threatened from time to time over activities such as the Amnesty International meeting held during February 1977 in The Hague, but the Iranian Government has in each case drawn back before the issue reached serious proportions.

Iran-Communist Countries:

Iran broke diplomatic ties with Cuba when Fidel Castro met with an Iranian (Tudeh) communist leader in Europe during 1976, and the past year has involved fewer cultural relations with Eastern European communist countries than in the past. By and large, however, Iran's relationship with these countries has been more impressive in form than in substance. While trade increased dramatically over the past year compared with the low levels of the past with Bulgaria, Czechoslovakia, the GDR, Hungary, Poland, and Romania, the overall effect is still secondary compared to Iran's burgeoning trade with Western European countries and the U.S. In December 1976, Bulgaria did close down a clandestine opposition radio station which had been broadcasting to Iran, and the station has never reopened in Libya as was advertised at the time. The question remains whether this Bulgarian action was self-initiated or in response to Soviet prodding after return of the Soviet pilot to the USSR.

Iran-UN:

On political matters, Iran has generally maintained a low profile at the UN, often siding with the U.S. on East-West issues such as disarmament and with the Arab world or other Third World countries on issues of particular concern to them. Iran has taken a more active interest in North-South economic problems, though not always in the traditional UN-affiliated bodies such as UNCTAD. The Shah shows a tendency to relate his more active interest in "justice" for less developed nations with moments when he feels under pressure from the West politically or on his oil policy. Meanwhile, Iran takes a reasonably active interest in the various UN bodies. It initiated the creation in 1970 of the UN International Corps of Volunteers (some 500 members at present) and is actively interested in Tehran becoming the headquarters for IFAD. An ESCAP regional center for Women and Development was established in Tehran in February 1977.

CENTO:

Iran's ambivalent attitude toward CENTO stems at least in part from Iranian anxiety about being surrounded by Soviet-influenced regimes. While aware that CENTO membership runs counter to its desired image of "independent nationalism," Iran recognizes that CENTO provides at least a formal symbol of Western commitment to Iranian security. Though continuing to soft-pedal CENTO in public (he recently said "CENTO does not exist"), the Shah has apparently concluded privately that on balance, CENTO's utility outweighs its disadvantages.

Pakistan's Prime Minister Bhutto visits the Shah frequently and regular visits on a high level are exchanged with Turkey, Iran's other regional partner in CENTO. Iran, Pakistan, and Turkey are linked in the tripartite Regional Cooperation for Development, an organization (headquartered in Tehran) which seeks closer economic and cultural ties among the three countries.

Iran Relations with Asia and Africa:

Iran's continued concern lest Afghanistan fall definitively under Soviet influence is in the context of geopolitical worries about a potentially hostile neighbor. Given Iran's close relationship with Pakistan, the Shah has worried about Afghan stimulation of separatist movements in Baluchistan (which he shares with Pakistan) and Afghan agitation over the Pashtunistan issue on Pakistan's borders further north. In this regard, he has suspected Indian complicity in Afghan efforts.

Since oil quadrupled in price, however, Iran has acquired new leverage in its relations with India and (owing perhaps more than a little to several concessionary oil arrangements) Iran's relations with India have improved. Similarly, Iran's magnanimous offers of assistance to Afghanistan appear to have removed most immediate irritants in that relationship with the exception of the Helmand River Waters Treaty which the Afghans have postponed ratifying since 1973.

Nevertheless, continued squabbles over Helmand River water only highlights the Shah's longer-term concerns about Afghan policy. India's naval ambitions in the Indian Ocean similarly worry the Shah. Both these concerns figure with some prominence in the Shah's ambitions to create and maintain credibly strong military power.

Finally, Iran's increasing attention to the requests for assistance from a variety of African states south of the Sahara can probably be attributed to a more generalized Iranian effort to spread a good image of Iranian generosity in the wake of its oil earnings, as well as propagate an attitude of moderation in as many African leaders as possible. It is in this sense a concrete expression of the Shah's periodic efforts to project himself as a world statesman who can act as a leader of the Third World in dealing with both the West and the East.

POL:GBLambrakis/JWMartin

3. Opposition and Terrorists

There is no important organized opposition in Iranian political life today. Over the past decade and a half, the Shah has to a large extent countered and undermined the appeal of his opponents (National Front and Mossadeghist elements) with his own reform program--"The White Revolution." Those who have not been co-opted into the Iranian Establishment have either retreated from political activity into a posture of alienation or left the country. The "Rastakhiz" (Resurgence) Party has been created as a vehicle of constructive criticism, carefully limited so as not to develop into substantial opposition to the national program. For more on the Party, see Tab A 5.

On the right, fanatical Muslim clergy constitute a latent opposition force who no longer have major political influence but who retain sufficient following to slow down many government programs which they believe deviate from (seventh century) Safavid dynasty norms. For the past decade these forces have been fighting a losing rear-guard action against the growing tide of secular economic development. Should unforeseen developments (the Shah's death, military disaster, severe recession) lead other segments of the population to challenge the government, the Muslim clergy could undoubtedly drum up a modest, perhaps (depending on the issue) substantial following in the streets. Since the U.S. is closely associated in their minds with the Shah's reforming regime, and the clergy has always opposed foreign influence, the U.S. would come under severe political attack in the event of revived religious nationalism.

Student dissidence in Iran is largely ritualized and deals mainly with local, academic-related issues. The Confederation of Iranian Students, with chapters in most Western European countries and the U.S., is the core of the external opposition to the Shah's regime, and has spread its views well enough to disconcert the regime. These groups have links to major Western dissident factions and probably to small coteries of individuals within Iran. The student movement abroad has played a key role in surfacing Human Rights as an issue in Iran's relations with the West.

Terrorist groups have received extensive publicity in Iran for the assassinations of six Americans and many Iranians over the past five or six years. Over the past four years, the

terrorist movement in Iran has gradually coalesced into two major organizations: the People's Strugglers (Mujahiddin-e-Khalq) and the People's Sacrifice Guerrillas (Charikha-ye Feda'i-i-ye Khalq) and probably receive considerable support from outside sources such as Libya (though not to our knowledge directly from the Soviet Union). Both organizations grew from earlier dissident and terrorist activities. While based on different (Marxist-Moslem) ideological principles, they have cooperated closely over the past two years and share adherence to a common veneer of Marxist ideology (see Tab A 6).

The Mujahiddin are the center of conservative-religious armed opposition to the Shah, and can trace themselves back to the religious wing of the old National Front. Despite the death of their key operational leader, Bahram Aram, in a November 1976 police shootout, their infrastructure has apparently not been seriously damaged, and they pose a continuing and dangerous threat to Americans. The Chariks are a quasi-Marxist group with roots in the old Tudeh (communist) Party organization of the 1940s and 1950s. This group has always maintained strong links with Iranian and other radical student organizations in Europe and elsewhere. Chariks were the first to introduce a true guerrilla organization into Iran in 1970-71, and apparently have continued to maintain links to George Habash's Popular Front for the Liberation of Palestine (PFLP), which has trained some Iranian guerrillas. Despite several effective counter-terrorist strikes against them in 1976, the Chariks also retain an operational capability, but they lack the political capacity or infrastructure to influence politics in any conceivable post-coup or post-assassination period.

POL:JDStempel

4. Security Organizations

Although popular opinion considers SAVAK (National Intelligence and Security Organization) the all-powerful security agency in Iran, it is merely the first (and most powerful) among several. Security responsibilities are divided among a number of independent agencies whose heads report directly to the Shah on subjects within their mandates. Jurisdictional questions are adjudicated by the Shah after consultations with the responsible agency heads.

SAVAK was established in 1957 as an external intelligence and internal security organization with primary responsibility for thwarting anti-regime activities. It has about 6,000 employees and supplies the guidance for the Joint Police-SAVAK Counter-Dissidence Committee, which is the GOI's action arm for controlling terrorism. SAVAK can directly order the arrest of any person accused of security crimes, but in practice police make most arrests. SAVAK prepares the dossiers in national security cases and works closely with--even controls--the Office of the Military Prosecutor, who tries security cases. General Nematollah Nassiri heads SAVAK.

The Iranian National Police, with 26,000 employees, concentrates on maintaining public order in urban areas, criminal investigation, and monitoring activities of foreigners. It is headed by General Samad Samadianpur.

The Imperial Iranian Gendarmerie, with a force of over 50,000, is responsible for law and order in the extensive rural areas of Iran. It controls the border guard and polices tribal areas, traditionally trouble spots in Iran. General Abbas Karim Gharabaghi commands the Gendarmerie.

J-2 of the Supreme Commander's Staff of the Iranian Army is responsible for military intelligence and counterintelligence and handles all matters of a military nature. It is commanded by Lt. Gen. Nasir Moghadam.

Further details available in Section III, Tab A 7.

POL:JDStempel

6. Narcotics (DEA)

The deputy head of the political section serves as narcotics coordinator, and coordinates the work of DEA and the Mission's Narcotics Control Committee. The U.S. has no major bilateral programs in Iran, but DEA provides close liaison with Iranian authorities on international aspects of enforcement, and assists with police training on a limited basis.

Iran is a major victim country, with approximately 160,000 licensed addicts and an estimated 350,000 illegal addicts, among them 20-40,000 illegal heroin users. There are distinct, but so far minor, drug problems within the large American community in Iran (the first overdose death of an American occurred on January 20 of this year in Isfahan). A Social Development Center has recently been established in Tehran for counseling in this and other fields.

Iran has an active national police Narcotics Program, but the structure and behavioral characteristics of the Iranian bureaucracy have not encouraged cooperation between the police (urban), gendarmerie (rural), and customs (ports of entry and airports). Iran has just recently begun to focus on its own problem and to deal with international aspects of the situation. We supported the candidacy of an Iranian for rapporteur of the U.N. Commission for Narcotics in Geneva. We have urged the Iranians informally to press Pakistan to take greater enforcement action along its border with Iran.

Further details in Part III, Tab A 9.

POL:JDStempel

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DEPARTMENT OF STATE

INFO: ABU DHABI, AMMAN, ANKARA, BAHRAIN, CAIRO, DAMASCUS, DOHA, ISLAMABAD, JIDDA, KABUL, KUWAIT, NEW DELHI, TEL AVIV, USINT BAGHDAD MANAMA, MUSCAT

Amembassy TEHRAN July 22, 1976

Decision-making in Iran

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SUMMARY: Embassy reports over many years have commented on the Shah's style of leadership and on the group of advisors who assist him in his centralized administration of Iranian domestic and foreign policy. His style of leadership has become more decisive as he has gained experience and self-confidence. This is particularly true since about 1961, when he began to formulate his policy for the modernization of Iran, now called the Revolution of the Shah and the People. (See Tehran A-31 for a comprehensive report on the 12-point revolution. and 75 Tehran telegrams 7657, 12008, and 12460 on the five principles added since that date.) In this airgram, we analyze how he makes the decisions which are implemented by the Iranian Government and assess the system's effectiveness. The first section dispenses with the extreme views of the Shah's leadership style and mentions limitations on our knowledge of the inner councils of the GOI. The next outlines the methods of decision-making now being used. Following that we analyze the advantages and disadvantages of the current decision-making process in Iran. Finally, in recognition of the importance personalities play in Iran, there are 15 updated biographic sketches in Enclosure 1.

The Shah sets policy guidance on all matters of internal and external affairs and makes all important decisions, but he does not run Iran singlehandedly. He depends on a rather limited group of officials for the judgments

Enclosure
Bio Sketches

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upon which he bases his decisions, although through them he draws upon a wide range of Iranian sources of information, which is refined by competition which he fosters so that he will obtain the most accurate data available. He uses this same competition to divide and rule, often playing one group or individual off against another.

Personalities are more important to the decision-making process than are institutions, largely because it is the degree of trust which the Shah can place in a person which determines his influence. As can be noted from the 15 biographic sketches in Enclosure 1, most of the Shah's close advisors have had long years of association with him, have demonstrated their loyalty to him in some obvious way (they are particularly trusted if they actively opposed Mossadegh), have a strong record of anti-Communism, and possess a breadth of experience permitting them to give advice on a range of subjects. There are only two women among the fifteen: Empress Farah and Princess Ashraf.

Institutions are not without importance. The security apparati and the armed forces play major roles. The High Economic Council, the Imperial Commission, and other bodies are institutions which coordinate development policy under the Shah's authority. The Cabinet, under Prime Minister Hoveyda, has not been given a policy-formulating role in the collective sense, but several ministers do make policy recommendations directly to the Shah.

Analysis of case studies in Iranian decision-making made in preparation for this airgram indicated that in domestic affairs there is rather more study of possible options than one would have expected, given the hierarchical structure of the GOI, but there are also many situations in which the Shah has made an early decision on the basis of briefings and is not open to modification of his views unless other alternatives are passed to him later. Thus the Shah often acts as a sort of court of last appeal, so that proponents of views different from those the Shah is known to have received compete for access to the Shah in hopes of changing his mind. The input of foreign advisors and foreign ambassadors in this decision-making process is important because they give the Shah different perspectives than those he hears from his own people, even though the foreigners may have their own interests in mind. In addition to this

jockeying for access, there is considerable scope for the payment of commissions, bribes, and kickbacks to people who claim to be able to influence the final decision, but the GOI now requires firms to sign affidavits listing their legitimate agents and what they receive, and corruption has come under interesting attack in the past year.

In the foreign policy field, the Shah keeps his own counsel and often reaches major decisions without even consulting Foreign Minister Khalatbary and his staff. The Shah does not have to worry about any special-interest groups or about public opinion, which permits him to act decisively. He has succeeded in giving Iran an enlarged world role and has made few mistakes, those generally stemming rather from poorly conceived and vague proposals not staffed out in advance (e.g., Indian Ocean Common Market) than from any actions with harmful results.

Advantages of the decision-making system prevalent in Iran are: (1) the centralized nature permits quick decisions to be made when necessary; (2) competition fosters rapid responses to requests for information as well as "survival of the fittest"; (3) it enables him to divide and rule; and (4) the Shah and top officials can tap a wide range of information upon which to base policies. Disadvantages are: (1) The risks of being wrong and the desire to fit in with the Shah's policy directives result in many "yes men"; (2) there is little initiative shown by officials and much evading of responsibility when anything goes wrong; (3) there is poor "feedback" to correct errors; (4) those few top officials who are responsible are overworked and subject to great stress; and (5) the Shah can focus priority attention on only a few issues at a time.

Although administrative decentralization is one of the stated goals of the Revolution of the Shah and the People," it has not been effectively implemented. It was only 50 years ago this year that Reza Shah was crowned after taking the important initial steps to unite the diverse peoples of Iran together. The centralization of authority which he fostered, and which contributes to the maintenance of the regime in power, is unlikely to be changed in any significant way while the Shah is on the throne.

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One problem for the future is that the decision-making process which exists here does not perform well in solving conflicts over alternative uses of resources, nor is it well suited to planning long range economic development and coordinating orders for supplies and equipment from abroad. On the other hand, Iran has made impressive economic gains and its political status in the world has been greatly enhanced in recent years. In sum, the centralized but yet flexible decision-making process which operates here has proved reasonably well suited to the demands of a modernizing country. END SUMMARY

I. PARAMETERS

It might be assumed from newspaper and newsmagazine accounts of the Shah's leadership style the he runs Iran singlehandedly. This is not so, although he certainly makes all important policy decisions, and is indisputably the head of Iran's authoritarian regime. On the other extreme, many might assume that because Iran is becoming a complex, modern nation, the Shah would no longer be able to involve himself in the day-to-day administration of his country. By this reasoning he would be gradually forced to relinquish more decision-making authority to other members of the Executive. This extreme view is also inaccurate, because the only authority consistently delegated is that needed to implement policies already set by the Shah. Even within that limitation many relatively minor matters must still be referred to the Shah for a final decision.

A. Disclaimer

No outsider can fully understand the Iranian decision-making process. For a Westerner used to analyzing institutional structures in a government, the highly personal system of government under the Shah presents a complexity which can be highly frustrating. For one thing, it is extremely hard to get facts about anything going on within the high councils of the GOI. Newspapers print "facts," but these are often based on misinformation given out by government officials for their own purposes, or official handouts which paint glowing pictures of projects underway or programs anticipated, but which often are expressions more of hopes than of real plans. Therefore, people fall back on rumors and information from friends in hopes of learning the truth. Foreign observers are often limited by this same dearth of reliable information.

II. THE MODERNIZING MONARCHY - HOW DECISIONS ARE MADE

Policy Guidance

It is the Shah who provides the policy guidance on every major issue in Iran's domestic and foreign policy. On the domestic side, the most comprehensive presentation of the goals he has set for his country is embodied in the "Revolution of the Shah and the People," which is now more generally referred to as the "Great Civilization." The statement did not emerge fully formulated on the scene. It evolved from the land reform program which was implemented in late 1961 when the Shah authorized Prime Minister Ali Amini and his Minister of Agriculture Hassan Arsanjani to take all but one village away from major landowners and distribute these excess holdings among the people farming the land. When that revolutionary program was implemented without any effective opposition from landowners concerned, the Shah began to add reforms until the 17-point program of today evolved. While long-range goals for Iran are consistent, many significant domestic programs have been announced in rapid, even arbitrary fashion (e.g. the anti-inflation campaign and before that his decision to establish the Resurgence Party of the People of Iran (RPPI) in March of 1975--this latter change apparently was made without any prior consultation with GOI officials or even Empress Farah and took political observers totally by surprise.)

People Versus Institutions

One might assume that given the guidance of general programs such as those mentioned above, implementation, feedback, and improvement would be carried out by institutions operating under the Shah's direction. There are institutions (SAVAK, the Armed Forces, the Cabinet, the Resurgence Party, and various high councils) but none of these are allowed to become very strong. It is people who are important, not institutions, and indeed many of these important people are found in the institutions. Thus the Shah seeks people who combine knowledge, judgment and loyalty (both to him personally and to the institution of the monarchy). The list of advisers to the Shah contained in Enclosure 1 shows them in rough order of

importance, based not on their specific functions but on their general influence on the Shah's thinking. It is significant to note that many of the people listed (1) have known the Shah since he was Crown Prince, (2) supported him against Mossadegh, and/or (3) have strong anti-Communist credentials. The list includes five of the seven holders of Iran's highest decoration, the Taj (Crown) First Class. Only two women are listed: Empress Farah and the Shah's twin sister, Princess Ashraf.

Divide and Rule

Because people are more important than institutions, the Shah's leadership is projected through the people he selects to implement the policies which he lays down. An important factor is the degree of trust which he can place in people, because as many observers of the Iranian scene have noted, Iranian society is marked by insecurity and lack of trust. The Shah trusts only a very small number of officials, and he maintains control over Iranian officialdom by a careful policy of divide and rule. Like President Roosevelt was wont to do, the Shah often assigns overlapping tasks to officials so that they will report to him individually and he can check on the accuracy and completeness of the facts and opinions reported to him. When a particular official seems to be gaining more influence than the Shah wants him to, he can be cut down to size by giving some of his responsibilities to others or simply placing him in a position of lesser importance. Both of these tactics were used on Minister of Agriculture Arsanjani in 1963 when he seemed to be in the process of turning his leadership of the land reform program into an agrarian political power base.

In some cases the Shah formulates general ideas and then has them worked out at lower levels. We understand, for example, that when the Shah was pushing hard for the indemnification of oil workers, he asked that a task force be created to gather scientific price information. This was performed by the Central Bank of Iran. The information fed to the Shah over a period of months showed that the data fluctuated so widely that there was not the necessary adequate base for indemnification. As a result, the Shah has since abandoned the indemnification [illegible] restoring the balance between the workers and the [illegible] and the companies, a control part of [illegible] policy. As often such as this one proposal [illegible] put forward conflicting [illegible]

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Shah attempts to keep this competition within bounds to bring out policy options. He often uses foreign advisors to check on this study process: these may be technicians working in Iran whose reports are passed to him, visitors with specialized knowledge, or diplomatic representatives in Tehran who can pass to him information gathered by their foreign offices.

Implicit in this study process is the assumption that the Shah will act as a sort of "court of last appeal." A faction which loses out in an earlier round may seek to intercede through officials who have access to the Shah to present another set of arguments which might cause him to decide in that group's favor once the policy recommendation arrives on his desk. Thus foreign consultants are often heard to comment that if they could just get a copy of their report into the Shah's hands the decision might come out the right way.

Institutions of Importance

Although we have posited that people are more important than institutions, it is instructive to look briefly at a few of the important institutions involved in decision-making in Iran. (The reader who wants to focus on the personalities important in Iran as advisers to the Shah should consult Enclosure 1.)

A. SAVAK

The National Security and Intelligence Organization (SAVAK) is a combination CIA, FBI, NSA, and National Security Council. It has very broad powers, much like the organization which served Darius as "the eyes and ears of the King." Although the Palace Guard is formally charged with the protection of the Shah and the Royal Family, SAVAK's primary goal too is to provide the Shah with more general protection such as the exposure of groups opposed to the Shah and the GOI, information about the mood of the people, and processed intelligence about a wide range of foreign and domestic developments. Although head of SAVAK Nematollah Nassiri ostensibly serves as a Deputy Prime Minister, in fact he reports directly to the Shah and has a virtually unlimited budget to carry out whatever projects the Shah gives him. General Nassiri (see Enclosure 1) is totally loyal to the Shah and stays on despite his growing desire to go into retirement.

SAVAK gives guidance to newspapers as to how news stories are to be played, investigates candidates proposed for any official position (including those desiring to run for Parliament), coordinates many aspects of foreign visits by the Shah and of visits by Chiefs of State and other important visitors coming to Iran, and conducts the investigation and trial of persons accused of actions against the security of the State. Nassiri is one of the few persons who have consistent and immediate access to the Shah. Thus he can influence a wide range of decisions, drawing on his vast organization to provide facts and recommendations as requested.

D. The Armed Forces

As Commander in Chief of the Iranian armed forces, the Shah takes a deep interest in all aspects of military preparedness. He is determined to keep Iran supplied with the latest in military equipment so that it cannot fall prey to surprise attack such as that carried out against the Iranian Navy by the British in the Persian Gulf in 1943. All major policy decisions involving the military are made by the Shah himself, although he must of necessity delegate the operational responsibility for carrying out actions he has ordered. These actions can be severely limited in practice, however. On several occasions in the past years the GOI has had to obtain his personal permission before dispatching military helicopters on missions of mercy within Iran. (Note: The important aspects of military-related decision-making in Iran were covered in Tehran A-134 of July 6, 1973.)

C. The Cabinet

The Iranian Council of Ministers includes some 26 persons and does not comprise an effective policy-making body, largely because the Shah does not really want it to function in that way. The Cabinet is primarily a coordinating body for assuring that the GOI is effectively carrying out the Shah's policies. It is an institution for policy implementation, not policy formulation, although some of the more active Ministers do support [illegible] options to the Shah. Cabinet members are also [illegible] part in the deliberations of such institutions as the High Economic Council [illegible] that is and more knowledgeable in area.

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Prime Minister Hoveyda, the longest-tenured Iranian Premier in this century, is an important factor in Iranian decision-making, because he has such a rich background in governmental affairs (see Enclosure 1). Although clearly not in a position to challenge the Shah, he appears to be one of the few persons who are able to express opinions different from the Shah's in fields where he has direct experience. He has also expanded his office staff to the point where he can cut through the red tape of Persian bureaucracy and obtain facts and recommendations to lay before the Shah on matters awaiting a decision.

D. The Resurgence Party

Although descriptions of the Party's functions stress its importance as a channel for the upward flow of expressions of the people's will, it has little impact on decision-makers. There are various study committees within the Party which are supposed to make recommendations for action and which are beginning to tackle such issues as rent control, but the RPPI today is primarily a mechanism for communicating policy guidance from the central government to the public. (For further information see Tehran A-123 of July 8, 1976.)

E. Councils and Commissions

Although most of the Shah's actions to implement his policies are accomplished through individual contacts with government officials, there are two coordinating institutions of importance: The High Economic Council and the Imperial Commission. The Council, chaired by Prime Minister Hoveyda, meets twice a week and is essentially a coordinating body to make sure that all government organizations active in the economic field are informed of his views. Conversely, it serves the essential function of making the Shah aware of budgetary limitations on programs, limitations which Iran's temporarily declining oil revenues have forced the GOI to consider more carefully in the past year. The members are: Jamshid Amouzegar (Interior), Mansur Rouhani (Agriculture and Natural Resources), Hushang Ansary (Economic Affairs and Finance), Safi Asfia (Minister of State), Abdol-Majid Majidi (Chief of Plan and Budget Organization), Abdol Ghassem Moini (Labor and Social Affairs), Reza Sadaghiani (Co-ops and Rural Affairs), Farrokh Majanbadi (Industry and Mines), Foreidun Mahdavi (Deputy Secretary General, RPPI), and Hassan Ali Mehran (Central Bank).

The Imperial Commission was founded in November 1975. Its members are: The Prime Minister (Chairman), Ansary, Asfia, Majidi, Military Intelligence Chief Fardust, and Director of the Shah's Special Bureau Moinian. The main task of the Commission is to cut down government spending and to encourage efficiency. It is also expected that the Commission will control corruption and illegal activities by government officials. A High Council for the Eradication of Corruption has also been established, which includes Hoveyda, Ansary, and Fardust from the Imperial Commission and has the following additional members: Minister of Interior Amouzegar, Minister of Justice Sadeq Ahmadi, and Prosecutor-General Fallah Rastegar. Two other special bodies chaired by the Shah and the Empress were inaugurated in early July of this year: the High Council for Rural Research (concerned with social and economic development in Iran's villages) and the Imperial Council for Education (concerned with manpower training and improvement in the quality of education).

Decentralization--Pending

One of the 17 points of the Shah-People Revolution provides for improved efficiency by government officials, including decentralization of administrative authority. Ministry of Interior officials claim that hundreds of jobs formerly filled by officials in Tehran have been transferred out into the provinces. Governors General have also been given more leeway to oversee development projects in their jurisdictions and to transfer funds from one project to another when convinced that this is necessary. In general, however, decentralization is a slow process which runs contrary to the instincts of many government officials. For one thing, the process is a two-way street: The Center must desire to transfer authority to provincial officials, and these officials must be prepared to seize this authority. In practice, neither is true. All major decisions are still made in Tehran and assignments to jobs outside of the capital are looked upon as brief interludes before a return to the center of power. Provincial officials, for their part, are reluctant to make any decisions which might incur the disapproval of superiors in Tehran. They find it much safer to refer anything other than routine decisions up the line to Tehran. There are only a few exceptions to this rule. Perhaps three or four Governors General take an active part in supervising development activities and are prepared to lobby effectively in Tehran to get the resources they need, and as is so often true in Iran, it is the force of personality which permits these individuals to bend the administrative system to suit their purposes.

Foreign Affairs

Contrary to the situation prevailing in decision-making in domestic affairs, foreign policy is a field in which the Shah tends toward the extreme of doing everything for himself. He sees Foreign Minister Khalatbary twice a day, but this is primarily to discuss specific actions which must be taken. Khalatbary and his Ministry officials provide information from Iranian diplomatic posts overseas, but generally do not make policy suggestions of their own. The Shah decides what action is needed, and Khalatbary directs the implementation. This permits rapid reaction by the Iranian government, unfettered by Parliamentary or public opinion constraints.

The Shah has personal dealings with many world leaders, and those who meet with him are invariably impressed by the range of his detailed information on their country and its policies. The Shah has shown a flare for foreign policy and has projected the image of a world statesman larger than one would expect from a country the size of Iran. His oil wealth has been an important factor. It has permitted him to buy both "guns and butter"--the "guns" to maintain a deterrent force respected by his neighbors to the west, south, and east, and the "butter" to raise living standards in Iran and finance a wide ranging welfare program which has given his country the image of a prosperous, modernizing state playing a world role. The parade of high-level foreign visitors through Tehran seeking loans and oil supplies on advantageous terms enhances the image. The image of an "involved" Iran is also projected through an active role in U.N. affairs: In 1965 Iran replaced Canada as a member of the International Commission for Control and Supervision in Vietnam (now in suspense), and it has troops serving on the U.N. Disengagement Observer Force in the Golan Heights.

[illegible] Organization

Iran's military are developing in Iran, but primarily those which [illegible] (Central Army), carry out technical operations (Central [illegible] the military, Iran Air) and coordinate decisions [illegible] the Shah (various High Councils, the Imperial Commission)

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The Cabinet under Hoveyda has developed the institutional capability to make decisions and formulate policies and could do more of this if it were allowed to by the Shah. Having become more closely involved in day-to-day governmental activities since 1963, the Shah is reluctant to relax his control and to delegate decision-making now that he feels many of the goals he has set for his country in the expanded "Revolution of the Shah and the People" are within his reach.

Do leaders develop institutions or vice versa? The answer in Iran must be the former. Personal prestige and a reputation for self-confident administration are essential to a leader in Iran, just as they are in many countries. The Plan Organization is a good example. Under the determined leadership of Ntehaj it flowered and had a major role in development administration. This changed when the Shah began to exercise personal leadership in day-to-day affairs. Also, Ministries were anxious to regain their authority over development programs. The Plan and Budget Organization, as it is now called, has never regained its major position, but its importance in coordinating developmental policy within the government under the High Economic Council is now increasing because budget limitations require a forum for settling resource priorities.

Advantages of the System

The Shah has the advantage of being able to react quickly to changing situations, particularly in foreign relations. For example, when the US wanted Iran to provide 50 F-5A aircraft for use in Vietnam in 1972, an affirmative answer came from the Shah twelve minutes after the matter had been raised. A related advantage is that there is fierce competition to meet the Shah's needs rapidly with the best and most complete information available, a process which works to select capable people who can perform to his demanding standard. The fact that there is competition to keep the Shah well informed means that he accumulates not only a vast amount of information but can use conflicting bits of data to question other reports and to try to "keep people honest." He also accumulates derogatory information about some of his people which can be used to keep them in line--a technique not unknown in our own system.

The Cycle of Insecurity

The "dynamic tension" which the Shah established in the process of dividing and ruling has many undesirable side effects. Probably the worst one is the avoidance of responsibility. Because Iranian officials have come to expect the Shah to provide all policy guidance, they often avoid taking any initiatives other than those involved in implementing the guidance received. It is rare that anyone disagrees with the Shah. Officials go along with whatever they perceive to be the Shah's desire and avoid personal responsibility so that they will not be accused of any wrongdoing if particular programs fail.

The concentration of authority and responsibility at the top means that action occurs within the bureaucracy only when Royal attention is focused on a particular subject. The "spotlight effect" results in frantic effort on certain matters which are important to the Shah at the moment, while yesterday's priority subject may languish in bureaucratic stagnation awaiting its reemergence into the limelight.

The high level of insecurity mentioned earlier causes many to avoid top positions in government. The result is a very thin layer of decision-makers who are weighted down by so many responsibilities that they are unable to give each one their undivided attention. Minister of Economic Affairs and Finance Ansary is an example. He is reported to be suffering from an ulcer and experienced heart fibrillations in 1975 for which he sought treatment in the US earlier this year. Minister of Interior Amouzegar's health is holding up well, but he too is overworked. He performs additional duties as Iran's EPIC Representative, chairs the council overseeing Tehran's expansion and development, and is head of one of the two "wings" of the official single party, the Resurgence Party of the People of Iran. (Ansary heads the other.) Because they are overworked and cannot find enough people to whom they can delegate authority, these top officials are forced to make decisions on many matters without adequate study.

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A fundamental fault is the lack of adequate "feedback" within the system. Shortcomings are concealed, rather than identified so they may be corrected. Advisors are reluctant to tell the Shah when some of his ideas may not be workable (the proposal for an Indian Ocean Common Market, for example), and in such cases he does not consult anyone who might identify these shortcomings. The channels of communication to the Shah are crowded with so many matters being referred up the line for decision that negative reports tend to be buried. Thus the decision-making process works rather well to implement clear-cut action programs, but works poorly where there are complex issues which pose large demands on limited resources and necessitate long-range planning. For example, the financial resources available for development in Iran have become so large since the quadrupling of oil prices that the GOI had greatly expanded the goals of its current Five Year Plan. This process was done in rather arbitrary fashion, with little apparent thought being given to action programs in which the target amounts would be spent (Tehran A-130 of July 12, 1976). A related example is the poor coordination of orders for equipment and supplies from foreign suppliers. When money was freely available, ministries engaged in a spending spree which resulted in duplication of orders and a clogging of ports and airports with items which have in many cases deteriorated or been lost in transit. Surcharges and demurrage on cargo waiting unloading is estimated to cost the GOI more than $1 billion per year.

Having identified disadvantages and strong points of Iran's decision-making process, we must close with the observation that Iran has registered impressive progress in recent years. Its centralized but flexible (through access to the Shah) style of decision-making seems reasonably well suited to the demands of this modernizing country.

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THE SHAH'S CLOSEST ADVISERS

The ruling monarch of a modernizing country must seek men who combine knowledge, judgement, and loyalty, both to him and to the institution of the monarchy. It is essential to a study of decision-making in Iran that we look at the men who provide both the information and the opinions which assist the Shah in choosing policies and implementing them. In the list given below these advisers are placed in rough order of importance. They are purposely not listed in functional groupings, because an attempt is made to indicate through the names the Shah's primary concerns. Any observer of the Iranian scene could quibble with the arbitrary placement of various names, so it is hoped that such concerns will not obscure the purpose of the listing. The brief paragraph following each name indicates his or her position, suggests the functional area of expertise, explains why he or she has influence on the Shah, and updates biographic information previously submitted. Note that many of those listed (1) have known the Shah since he was Crown Prince, (2) supported him against Mossadegh, or (3) have strong anti-Communist credentials. The list includes five of the seven holders of Iran's highest decoration, the Taj (Crown) First Class.

1. Assadollah Alam

Minister of Court since 1966, Alam went to school with the Shah in Switzerland during the period 1932-1936. He joined the Shah's Special Service in 1945 and has had a wide government experience marked by intense loyalty to the Shah. He became guardian of Crown properties in 1950 and was dismissed by Mossadegh because he disagreed early on with Mossadegh's actions to undermine royal authority. He has been Minister of the Interior (1955-1957) and Prime Minister (1962-1964). The Shah called upon him to head the loyalist opposition Mardom (People) Party (1957) and also asked him to become the Pahlavi Foundation's first director, in 1961. Alam gives advice on a wide range of personal and official matters. He says he sees the Shah 30 to 45 minutes each day. Now 57, Alam is reported to be ailing and has had to cut down his workday and seek the advice of specialists in Europe and the US. He would be difficult to replace.

2. Nematollah Nassiri

As chief of SAVAK, the National Security and Intelligence Organization, Nassiri is a key adviser who has access to the Shah whenever he feels the need. Nassiri was a classmate of the Shah (then Crown Prince) at the Tehran Military College. He played a key anti-Mossadegh role, carrying the Shah's order dismissing Mossadegh (August 16, 1953). The Prime Minister ignored the order and had Nassiri arrested. Nassiri, in turn, arrested Mossadegh after the Shah returned from his brief flight to Italy. Nassiri became head of SAVAK in 1966, after serving five years as Director of the National Police. He was Imperial Guard Commander from 1961 to 1960. Nassiri is a conservative on security matters, preferring a

crush any opposition activities rather than penetrate them to learn about their goals and methods. He reportedly wants to retire to a villa he owns in Europe, but the Shah has persuaded him to stay on.

3. General Gholam Ali Oveisi

On November 18, 1972, Oveisi was moved from his position as Gendarmerie Chief to Chief of the Ground Forces. During his seven years with the Gendarmerie, Oveisi gained a reputation as a hard worker, a tough and demanding supervisor, and an officer of promise. His early military training included graduation from Iran's Military College in 1938, the same year the Shah attended it. After numerous command jobs around Iran, Oveisi served in 1954 as a member of the military appeals court handling the cases of military officers accused of being Tudeh (Communist) Party members. The following year he was appointed Chief of Staff of the Imperial Guard Divison, rising to Commander of the Division five years later. Oveisi has been a team player in his present capacity, without any apparent desire for personal publicity or political influence. When the Kurdish War was going badly at the end of 1974, Oveisi was reportedly sent by the Shah to take a critical look at Iranian troops in the border area to see if they could handle military clashes with the Iraqis if Iranian help to the Kurds brought Iran into the conflict. Apparently the report was in the negative, a factor which led the Shah to patch up relations with Iraq during the Algiers Islamic Summit of early March.

4. Amir-Abbas Hoveyda

The Prime Minister holds the record for the longest tenure in the history of that office, having been Premier since January 27, 1965. He now serves as Secretary General of the Resurgence Party of the People of Iran (RPPI), the lineal descendant of the New Iran Party founded by Hoveyda's predecessor Hassan Ali Mansur, but he has publicly announced he will step down from that position this year. Hoveyda combines a formidable range of experience and ability. He was educated in Damascus and Beirut and can therefore converse in fluent Arabic when the need arises. He studied at the London School of Economics (1936-1937), earned a degree in Political and Social Science from the University of Brussels the following year, and did graduate work at the Sorbonne before returning to Iran in 1942. During the next two years Hoveyda was a liaison officer to the US Military Mission. His diplomatic career took him to Paris, Stuttgart, and Geneva (1945-1950). He then went to the National Iranian Oil Company in 1958 becoming a board member two years later. In 1964 Hoveyda joined the Mansur

Cabinet as Minister of Finance. Hoveyda's pipe-smoking informality and wealth of government experience make him an excellent official representative of the Shah. Among his accomplishments are successful efforts to give the Shah public credit for nationalizing Iran's oil (even though educated Iranians have not forgotten Mossadegh's central role) and his campaign to increase the efficiency of government through prodding from his own expanded staff of experts and trouble shooters. The Shah depends on Hoveyda for the implementation of policies but also seeks his advice on a wide range of political matters.

5. General Hassan Toufanian

Because arms procurement is central to Iran's defense strategy, Toufanian has a key role. Since 1968 he has headed the Military Industrial Organization (producing arms and munitions), and since 1971 he has also served as Deputy Minister of War for Armaments. He has been de facto procurement chief since the mid-1960's. His military advice has been sought by the Shah for a longer period of time, however, probably since his involvement with CENTO-Baghdad Pact in its early days. He was named honorary adjutant to the Shah in 1961. A four-star Air Force General, Toufanian is a former pilot and flight instructor. The Shah trusts Toufanian to report on the pros and cons of military items available from various suppliers, including contributions from American sources and his own recommendations. Toufanian has a talent for getting down to the essentials and asks shrewd questions of suppliers' representatives. A frequent visitor to the US, with three children in university or medical training there, Toufanian admires US military technology but he is not wedded to it. There are conflicting reports as to his own personal honesty in past dealings with company representatives, but if he was "on the take" he has concealed it well. Like most Iranian military officers, Toufanian is totally loyal to the Shah. He does not, like many others, allow loyalty to prevent him from expressing original views or stating his feelings quite forcefully. Biographic reports on Toufanian describe him as "exceptionally intelligent and able," but one who "relishes and expects deferential treatment and discreet flattery." He is essentially a one-man operation and does not benefit from much useful Ministry of War staff work. Toufanian conducts the GOI negotiations on military matters with the USSR and handles procurement and arms transfer questions with other nations. His health is not good, and in recent months he has shown some signs of being overburdened. General Massumi, the new Deputy Minister for Armaments, is taking over many procurement matters and seems a good bet to replace Toufanian eventually.

6. General Hossein Fardust

In his dual capacity as Chief of the Special Information Bureau of the Court and Chief of the Imperial Inspectorate, Fardust is a modern-day equivalent of Cyrus's "eyes and ears of the King." As with others in this list, Fardust was a classmate of the Shah at Le Rusey School in Switzerland, and he also attended the Tehran Officers College with the Shah in 1938. He had headed the SIB since 1959 and has been entrusted by the Shah with the duty of reporting on the activities of high officials, including members of the Royal Family. He supervises preparation of a daily report for the Shah on events of importance, drawing on the resources of the Cabinet and government offices at home and abroad. He served as Deputy Head of SAVAK from 1962 to 1973. During that period there were persistent rumors of a rivalry between Fardust and Nassiri, a rivalry which forced some SAVAK officers to choose sides. When Fardust left the deputy job and became Chief of the Imperial Inspectorate, this rivalry was in a sense channeled into a competition to provide the Shah with the most accurate and useful information. Fardust reportedly has a continuing function at SAVAK. In November 1975 Fardust was given the additional duty of membership in the Imperial Commission, which supervises governmental expenditures and is to control corruption. He was then named to the High Council to Eradicate Corruption. Various Embassy biographic reports describe Fardust as "efficient, humble, mild, unobtrusive, completely loyal, and trusted by the Shah...with a well-organized mind and a determined will."

7. General Gholamreza Azhari

The Chief of the Supreme Commander's Staff has a more important position after the death of Air Force Commander Khatami, because no one of the present service commanders can match the combined military and personal influence which Khatami had on the Shah. Furthermore, the Shah has been trying for some time to achieve a more integrated military force, and Azhari is well prepared by experience to preside over such a gradual change of policy without seeking enhanced personal prestige and authority as did Azhari's predecessor, General Jam. A DIA biographic data sheet describes Azhari as a "very competent and dynamic infantry officer" with an "excellent professional reputation," but in recent years Azhari seems to have lost much of his drive. Azhari was Vice Chief of the SCS and a somewhat junior contender for the job when named Chief in July 1971 and promoted to full General. With four years of experience under his belt, he is now considered a close military adviser to the Shah, while still remaining a loyal team player.

8. Nosratollah Moinian

In his capacity as Chief of the Shah's Personal Secretariat, a position he has occupied since late 1966, Moinian has frequent access to the Shah. He is the channel for information from government offices at home and abroad for which the Shah has an insatiable appetite. Moinian is both loyal and self-effacing. He puts in 14-16-hour days and has almost no private social life as a result. He has a staff of four assistants and eight secretaries. Our biographic file contains descriptions of him over the years as "able, hard working, humorless, exacting, and an excellent administrator." Moinian has a reputation for complete honesty. Educated in Political Science at Tehran University, he joined the Railway Administration in 1944, then became assistant to the Director of Publications and Broadcasting in 1953, later becoming Director. In that capacity he personally supervised the anti-Soviet propaganda campaign in the 1959 period, when his performance earned the Shah's respect and gave him the direct access he still enjoys. He served as Minister of Information and Tourism in the Alam and Mansur Cabinets (1963-1964) after a brief tenure as Minister of Roads. It was Alam who recommended Moinian to the Shah for his current position.

9. Jamshid Amouzegar

In addition to the Minister of Interior portfolio he holds, Amouzegar also represents Iran at OPEC meetings. Thus he combines political savvy (such as successful handling of the June elections) with economic expertise. The Shah likes his forceful, factual delivery of arguments supporting Royal policy initiatives. Amouzegar's strong, self-confident personality and his reputation as a bright technocrat give him a strong position in government councils, and he has an impressive network of proteges in his own and other ministries. He studied law and engineering at Tehran University, then went to the US in 1944, where he studied at Cornell and the University of Washington, receiving an MA in sanitary engineering and Ph.D. in hydraulics. (He respects the US but can also be quite critical of American policies.) Back in Iran he headed the AID mission's engineering department, then went on to become Deputy Minister of Health, Minister of Labor, and Minister of Agriculture. Amouzegar deliberately avoided joining in party politics until 1975, when he had no choice but to join the Shah's new Resurgence Party of the People of Iran (RPPI). Once in, he took an active part and was named head of the "progressive wing" of the party, which put him in friendly competition with Hushang Ansary, Minister of Economic Affairs and Finance and head of the other "wing." Most observers see Amouzegar and Ansary as potential rivals for the Prime Minister job when Hoveyda leaves the post, but the innovative role of the "wings" is so limited that the RPPI cannot provide an arena for this competition. It is more likely to take place within the Cabinet, where the two strive each to be more useful to the Shah than the other.

10. Hushang Ansary

The Minister of Economic Affairs and Finance is clearly a key official, all the more so now that Iran's economy is prospering yet needs to have its priorities constantly reassessed. He is well known as a successful businessman, a self-made man who has also done well because of good connections, and as an efficient bureaucrat. Ansary studied in England during World War II while representing a textile export firm. He moved with the firm to Tokyo, allegedly earned an MA in business administration, and was already wealthy by 1954, when he joined the Iranian Embassy there as Press Attache. He later served as commercial representative and then became Economic Counselor at the recommendation of Ambassador Aram. (In 1955 he divorced his Japanese wife and married Miriam Pahnai, who served as private secretary to Aram when he subsequently became Foreign Minister.) Returning to Iran in 1962, Ansary became an Undersecretary in the Ministry of Commerce. Briefly resuming his diplomatic career, Ansary was Ambassador to Pakistan and concurrently to Ceylon (1965-1966). He served as Minister of Information for less than a year (1966-1967), during which time he revamped and improved news broadcasts and launched National Iranian Television. From 1967 to 1969 he was Ambassador to the US, where he assiduously cultivated high-level contacts and promoted Iran-US trade and investment. In mid-1969 he became Minister of Economy, then was named to head the combined ministry in April 1974. Ansary, unlike Amouzegar, joined in party affairs early on, becoming a founding member of the New Iran Party in 1963. He heads the "constructive wing" of the RPPI, which took as its main campaign platform the popular issue of control of inflation (which later became a principle of the Revolution of the Shah and the People). Ansary picks bright assistants and listens to their advice. He has been described as "aggressive, ambitious, imaginative, and a very hard worker." His future role is clouded by recent heart fibrillations. He is apt to curry favor with the Shah, just as he appreciates judicious flattery from his own subordinates, but he makes sure he also has the facts and figures on whatever matter is being discussed.

11. Dr. Manouchehr Eqbal

Intense loyalty to the Shah and anti-Communist credentials are two of Eqbal's primary credentials which give him influence with the Shah. Now 66 years old, Eqbal has not been politically active in recent years. He seems content to serve in his capacity as Chairman of the Board and Managing Director of the National Iranian Oil Company, a dual position he has held since 1963, and in various holdover posts. Although Amouzegar, Hoveyda, and even Ansary probably have more influence on Iran's oil policy than Eqbal, the NIOC Chairman has a wealth of technical and bureaucratic experience which makes him valuable as an adviser to the Shah. Educated as a doctor in France (Montpellier University, 1934), Eqbal returned to Iran to serve in various medical positions, becoming

an Undersecretary in the Ministry of Health in 1943. Over the next seven years he served in various Cabinets with different portfolios: Health, Education, Communications, Interior, and PTT. In 1948 Eqbal pushed through the Parliament a bill outlawing the Tudeh (Communist) Party. After a brief tour as Governor General of Azerbaijan (1950-1951), Eqbal became a Senator in 1953 and then Rector of Tehran University in 1955. He removed troops stationed there at the request of his predecessor and paid attention to student gripes he thought were reasonable. Eqbal served as Minister of Court in 1956, then was called upon to form the Mellîyun (Nationalist) Party the following year as a rival to Alam's Mardom (People) Party. His 1957-1960 term as Prime Minister ended in controversy over the 1960 elections, which were manipulated to receive the desired results, but he believed at the time that he had been sacrificed to improved relations with the USSR. (Nosratollah Moinian, mentioned earlier in this list, had been active under Eqbal in pushing an anti-Soviet line on Iranian Radio.) Eqbal has been described as "a hard worker, vain, publicity-conscious, haughty, honest but shrewd, charming only if he feels he is appreciated" and as having "a good share of Iranian amorality." He is of course totally loyal to the Shah and is inclined to be a "yes man." Eqbal's daughter married Princess Ashraf's son Prince Shahryar Shafiq, but only after she had almost turned him down in favor of another suitor. (This is rumored to have resulted in some friction between Eqbal and Ashraf.)

12. Jajar Sharif-Emami

Now in his thirteenth year as President of the Senate, Sharif-Emami, like Eqbal, has a sort of "elder statesman" status based on the variety of governmental positions in which he has served the Shah. He began his government service in the Railway Department and then went on to have training in railway technology and administration in Germany (1930) and in Sweden (1936). In 1938 he switched to the Ministry of Agriculture, where he headed the Irrigation Department for four years before becoming Deputy Director General of the Iranian State Railways. Strange as it may seem in retrospect, Sharif-Emami was imprisoned by the Allies from 1943 to 1945 on charges of pro-Nazi sympathies. For the next five years he was in private business, both in contracting for construction work and as an agent of Krupp, an association which has lasted for many years. Both proved to be lucrative activities. Sharif-Emami became Managing Director of the Plan Organization in 1953, but his tour lasted only two months because he tried to maintain his contacts with National Front members and this was considered incompatible with his official position. Four years later he joined the Eqbal Cabinet as Minister of Mines and Industries, and in August 1960 succeeded Eqbal as Prime Minister. He stayed in office only eight months, then returned to the Senate and was elected President in 1963. Sharif-Emami has been described as a "quiet, intelligent" person who has made dishonest money in business over the years but is not known corruption in direct connection with his official duties. In

1967 the Embassy considered him to be "probably the fourth most important man in Iran." By his own account, Sharif-Emami is sufficiently respected and trusted by the Shah that he can raise delicate issues or give the Shah unpopular advice when necessary.

13. Empress Farah

The Empress is not easy to rank in terms of policy influence on the Shah. On the one hand she is the mother of the Crown Prince and three children and has the Shah's blessing to fill special roles such as Regent, patroness of the arts leader in social welfare matters, representative abroad (in solo trips to the USSR in 1970 and China in 1972), and investigator of progress in the development of various areas of Iran. On the other hand, she is still an ex-commoner and a woman. She herself described the limited policy role she can play, when interviewed by Sally Quinn of the Washington Post (May 19, 1975):

> "I try to talk to him, not as a queen talking to a king, but as a wife talks to her husband. Sometimes, though, I care so much about something, I get so excited that I can't breathe. But I have to be careful because if I'm not and I start raising my voice he will think I am blaming him for what's wrong and he'll get angry. So I try to be logical and cool instead of nagging. And sometimes I try to do it through ministers; I try to talk to him through them.... I don't want to trouble him with my problems during the day, so the only time I can talk to him is at lunch or in bed and that's the worst time to talk about your problems. Once in a while I have him alone for five or ten minutes in the car. But generally I write to him. If I talk to him he forgets. So I write little notes to him and send them to the office so he will read it with the rest of his papers."

Her wide range of interests extends to women's rights, proper child care, housing projects, improving medicine (possibly through creation of a version of the Mayo Clinic in Iran), creation of a dialogue between students and their professors, academic exchange ("Aspen-Persepolis Conference of 1975), concern over honesty of government officials and also of members of the Royal Family, and interest in promotion of government officials only by merit. Farah's influence at Court is partially limited by Princess Ashraf, who is considered a rival, both in influence on the Shah and in pursuit of individual status for the future. (See A-10 of January 18, 1975 for a complete account of this rivalry.) Perhaps it was this ocean of competition which prompted Farah to comment in July 1974: "The higher one goes, the lonelier one becomes, and the fewer real friends are left. I stand, one is surrounded by pettiness."

Farah's warm personality has been a great plus for the Shah's regime, for she is a "humanizer" who shows genuine concern for her subjects, whereas he tends to rather stiff and formal in his contacts with the public. She is often described as "charming, dignified but warm, unpretentious and direct." Born in 1938 to a well-to-do family with ties to the previous dynasty, Farah was educated at French schools in Tehran and then studied architecture in Paris 1957-1959. The Shah's daughter by his first marriage, Princess Shahnaz, arranged to have Farah meet the Shah in Paris after he had divorced his second wife, Soraya. In December 1959 they were married. She was named Regent in 1967 and as such would head the Regency Council which is to assist Crown Prince Reza if he should assume the throne before the age of twenty. That same year she was crowned Empress in the same ceremony in which the Shah was formally crowned. Both steps were startling breaks with the past because they elevated a woman to previously unattained importance and showed a determination to give a meaning to women's rights in Iran.

14. Princess Ashraf

The Shah's twin sister has been an important influence on him, but it is generally believed that as he has become more sure of himself he has limited her influence on political and policy matters, channeling her energies into women's affairs, literacy concerns, and social services. Ashraf was a strong-willed child who was reportedly her father's favorite because she had the temerity to stand up to him. When Reza Shah was exiled from Iran to Mauritius in 1941, Princess Ashraf accompanied him on the first six months of his enforced stay there. Her strong-willed nature has caused many Iranians to say that had she been born a male, she would have easily dominated her brother. She is rumored to have been in favor of replacement of her twin brother by another brother, Alireza, in 1954, the year he died in a plane crash. Princess Ashraf has long been surrounded by intrigue and linked to many unethical business ventures. Her activities caused Mossadegh to criticize her openly in 1951, and he engineered her exile in 1952. She remained in Europe until early 1964, reportedly running up large gambling debts during that period. Her second husband, Ahmad Shafiq, was an Egyptian businessman through whom she became involved in various business dealings. She was instrumental in having him named a Director of the National Insurance Company. In 1961 she divorced Shafiq and married Mehdi Bushehri. His contact him became the Aeroflot contact man in Iran, and Bushehri also makes all travel reservations for conferences held here. Ashraf allegedly obtains profits from the shocking industry in Iran and other business interests. She was denied several press stories alleging that she was stopped in Switzerland in November 1960 for possessing large quantities of drugs in her baggage and that she was allegedly barred from entering the US for a short time. In 1968 Princess Ashraf engineered the demise of the High Council as a women's organi-

action and founded the Iranian Women's Organization as her own vehicle for leadership in the women's rights field. She has championed this cause both in Iran and through UN activities overseas. The Princess also heads the Imperial Social Services organization. The Shah has often called on Princess Ashraf to represent him on foreign visits. She has made several visits to the USSR (June 1970), China (April 1971), India (September 1971), Pakistan (January 1975), North Korea (May 1975), and most recently visited several African countries during January and February 1976. Ashraf normally heads the Iranian delegation to the UN General Assembly meetings during at least part of each session. She has visited the US frequently, not only on UN business, but on various private trips during which she has used several aliases. Ashraf apparently got on rather well with the Shah's first wife, Princess Fawzia of Egypt, but she quarreled openly with Soraya in the years before that marriage ended in divorce. Ashraf is also engaged in a rivalry with Empress Farah, some aspects of which were covered in Embassy Airgram A-19 of January 28, 1975.

14. Ardeshir Zahedi

The career of the Shah's former commander to the US began not as an Iranian of only average intelligence but with excellent connections, high ambition, and a flair for publicity can rise to prominence. After attending the American University of Beirut (1942-1944) Zahedi came to the US and earned a BS degree in agriculture and poultry husbandry from Utah State. While there he immersed himself totally in American life and held such jobs as working in a steel mill in Gary, Indiana, picking grait in California, and laboring on the Alaska Railroad. In 1944 he returned to Iran and worked for the Rural Improvements Commission of the US Operations Mission in Tehran. He resigned in 1952, allegedly under pressure from Mossadegh. Zahedi's star rose rapidly after his father, Gen. Fazlollah Zahedi, headed the 1953 counter-coup in which the Shah triumphed over Mossadegh. He was named Civil Adjutant to the Shah in October 1953, beginning a close relationship with the Shah and the Ministry of Court. In 1957 he married the Shah's daughter Shahnaz (by his Egyptian wife, Fawzieh), who was only 16 at the time. In 1958 he took his bride to Washington, where he tried unsuccessfully to convince radical Iranian students that they should refrain from demonstrating against the Shah. Two years later he left and became Ambassador to the UK. His marriage was already coming apart in Washington, but the formal divorce did not occur until 1964. In 1967 he returned to Tehran to become Foreign Minister. His four-year term in that position was marked by an aggressive lone-wolf style which burned the Foreign Ministry upside down. Mostly in order to counteract his playboy image, Zahedi drove himself and his staff extremely hard and achieved a reputation as a tough with impressive knowledge. Zahedi clearly and the Shah's new one often made policy suggestions both in the foreign policy area, a topic which appeared to matter little, and relations with Prime Minister Hoveyda. Hoveyda made it clear that Zahedi was a

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member of his Cabinet and should normally report to the Shah through him, which caused Zahedi to state in 1971 that the Shah would have to choose between the two. Hoveyda won, and Zahedi said he would not serve in Tehran so long as Hoveyda remained in office. Another factor in his departure from the Foreign Ministry was unhappiness about Princess Ashraf's 1971 trip to China, which he felt was an intrusion on his turf. When Ashraf returned, she reported to the Shah in writing on her trip and did not even send Zahedi a copy of the report. Ambassador to the US since April 1973, Zahedi has continued his highly active approach to foreign affairs. An inveterate party giver, Zahedi invites all the great and near-great in Washington and makes a particular point of cultivating members of Congress. He has visited almost every state and is known as a super-salesman for his country. He carefully arranges programs for important American visitors traveling to Iran and ensures that they are entertained and shown around Iran at Government expense. Zahedi's lavish parties have resulted in some image problems for Iran, but the Shah apparently feels that Zahedi's contacts are worth the cost. Zahedi believes he has good rapport with young Iranians and may plan to exploit this ability in the future, but his track record does not show that he has been particularly effective in this area. (During his first tour in Washington Zahedi told several students that his rise to the position of Ambassador showed how much opportunity there was for the young in Iran. One of the students replied, "Yes, but the Shah has only one daughter.") There are continuing rumors that Zahedi may return to become Court Minister when Alam retires, or perhaps to become Foreign Minister again. As head of Iran's most important diplomatic mission, Zahedi seems prepared to wait for a call to a higher position. Some have described Zahedi as "an unprincipled political opportunist." He has shown that with total devotion and loyalty to the Shah, even a man of only average intelligence can rise to the highest levels of GOI service.

16. Others with Influence

Supplementing the foregoing list are other names that deserve a brief mention. Some of them are in the security area. Nasser Moghadam, head of J-2 and Director of Iranian Military Intelligence since April 1973, is influential. He was brought into SAVAK by Fardust in 1964. Abdol 'Ali Badreh-Loristani, Chief of the Imperial Guard, is also important, but only in his limited official capacity. Gen. Abbas Gharabaghi of the Gendarmerie also has an important, but limited, role. In economic matters, Hushang Ram is influential, and sufficiently trusted that he runs the Bank Omran, the Pahlavi Foundation's financial institution. Various court cronies such as Jamshid Alam, Jamshid Khabir, Dr. Yahya Adl (former personal physician), and Dr. Abdol Karim Ayadi (now the Shah's physician) are rumored to have limited influences on the Shah's thinking, but Ayadi is believed by some to

be empowered by the Shah to carry out various sensitive communications roles when the Shah travels outside Iran. Dr. Sayed Hassan Emami, the Imam Jomeh or religious leader of Tehran Moslems, probably provides advice on religious matters. Although an "establishment" type, Emami has impressed Embassy officers who have met him as a man of independent views which he is willing to express in private conversations. Finally, one should include other members of the Royal Family who have developed functional interests at the Shah's urging: His sister, Princess Shams (the Red Lion and Sun Society); half-brother Abdol Reza (environmental affairs); half-brother Gholam Reza (sports and military affairs); and daughter Shahnaz, who was named in January 1976 to supervise developmental affairs in the provinces of Gilan and Mazandaran in northern Iran.

The Royal Family

The image projected by the Royal Family reflects to some degree on the Shah, yet probably only a few of its members influence his decisions. The attached airgram, The Iranian Imperial Family, treats the principal relationships and important political dynamics within the family.

In the intervening two years since this study was completed, there have been only two significant changes. Empress Farah has emerged as a public figure in her own right, and the very positive public perceptions of her role and attitudes has probably strengthened the regime. In September 1975, the Empress politely but publicly disagreed with the Shah for the first time at the Ramsar Educational Conference. Since then, she has continued to speak out (usually in support of the Shah's position), mostly on issues related to education, women's rights, housing and social welfare. The Shah has encouraged this, and his confidence in her has evidently grown. There is a populist strain in Farah's personality which, while dignified, has made her the best-loved member of the Pahlavi clan. For example, upon hearing that a municipality had paved several streets in anticipation of her visit, she pointedly remarked in June 1976 that she might have to visit several villages and suburbs a day if that was to be the result.

Crown Prince Reza, the Shah's long-awaited male heir, has also begun to move toward center stage. In the past year he was the official host for the visit of Morocco's Crown Prince and paid a state visit to Egypt as part of Iran's rapprochement with Cairo. He is readily accepted as the Shah's son, and is especially popular in the provinces, but there seems to be little serious interest in his potential as the Shah's successor. Publicly he is ascribed qualities well beyond the normal 16-year old, but private comments describe him in terms ranging from mediocre to modestly above average student. There have been many rumors about Reza's future education, but the Shah has insisted repeatedly that the Crown Prince would be educated in Iran at least through high school. Betting now favors his remaining in Iran for university work, partly because of potential problems with the Iranian student community abroad if he were to leave the country for his college education.

Apart from the Empress and Princess Ashraf, the Shah's twin sister, no other member of the family is know to have

the Shah's confidence on policy matters, though several are relatively close to the Shah and apparently trusted by him. His older sister, Princess Shams, is said to be a favorite and, like her, the Shah's half-sister Princess Fatemeh is mildly active in organized charitable, educational and cultural activities. Prince Qolam Reza is the only brother given an active role. He is a Brigadier General, heads the Iranian Olympic Committee, and often stands in for the Shah in ceremonies both at home and abroad. He is conscientious but does not command wide respect. Most highly regarded of the Shah's siblings is Prince Abdol Reza. Age 50, he has maintained a good image among the younger elite. Considered a leading candidate to succeed the Shah before the birth of the Crown Prince, he has since stayed completely clear of political activity, devoting most of his energies to his interest in conservation and his love of big game hunting.

Several members of the Royal Family are thought to be, in varying degrees, corrupt, immoral, and largely uninterested in Iran and the Iranian people. Their expensive lifestyles, influence peddling, and involvements in both government and private business have tended to encourage the popular conception. Two of Princess Ashraf's sons, Princes Sharyar and Shahram, have reportedly been deeply involved in defense contracting and corporate organizational politics on behalf of various members of the Pahlavi clan. The attached chart lists the Pahlavi family structure as known.

Tab A 2

Department of State

[illegible]

Secretary [illegible]

E.O. 11652: GDS

TAGS: PINR, PINT, PGOV, IR

SUBJ:

The Iranian Imperial Family

28 JANUARY 1975

SUMMARY: This report examines the personality and position of the nine most important members of the Pahlavi family, the Shah, the Empress, Princess Ashraf and the Crown Prince. It considers the Shah's, and therefore Iran's, view of relations with the United States and his expressed plans for the future of his nation. The report also examines the relative strengths of Empress Farah and Princess Ashraf and speculates as to the outcome of a possible power struggle between them in post-Shah Iran. Finally, the report reviews the development of Crown Prince Reza and the probable circumstances of his succession. END SUMMARY.

I. The Shah:

a. Traits and Characteristics:

Though outwardly and by education thoroughly Westernized, the Shah is by heritage and outlook a Persian and in fact his considerable success in leading his country is largely due to the fact that he is a consummate Persian politician. Though he sometimes assembly with Western ment, he does so not as a truly westernized Iranian, equally at home in either culture, but as a Persian who has mastered the art of social adaptability. As a result, he often interprets decisions and statements made by Westerners in wholly Persian terms even though he understands the terms values and motives.

In the process of forcing Iran into the modern world the Shah has readily pursued the traditional Persian

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attributes of a divinely chosen monarch, with its national symbolism and the mystical connotations it holds for most Iranians--including many from the educated classes--and uses them as an effective tool in governing the nation. Indeed, he firmly believes that he was personally chosen by God to lead Iran into a golden age. With a combination of single-minded determination and acute intelligence, the Shah has raised Iran to a state of power and respect unknown since Sasanid times. From this it is evident that the institution of monarchy still fits the needs of Iran and is an effective unifying and developing force. However, it remains true for the Shah, as it has for many autocratic rulers, that absolute rule requires an aloof posture and confers loneliness. This, combined with his traditional Persian manipulative form of rule and his increasing insistence that his decisions are inviolable, has made it difficult for the Shah to find advisors whom he trusts. Even more rare are advisors who tell him unpleasant truths and identify errors made--it is generally agreed that only the Empress, Princess Ashraf and Court Minister Alam can disagree with the Shah with impunity. On the other hand, he maintains at least six separate and competing information services reporting directly to him as well as numerous personal contacts in all elements of society. He is always aware, however, that any of these sources may slant their reports to suit their own interests and he alone must be the final arbiter of which reports are worthy of further consideration. He believes this intensely and believes also that such leadership is necessary for the national good.

At the same time he has found that the nation has often been able to meet or exceed policy goals which he had approved in the face of concern from many of his Western-trained advisors that a certain goal was unattainable. This has increased the Shah's self-confidence and convinced him that Iran often needs a touch of calculated boldness to continue to progress.

Encouraged by a decade of progress, the Shah has used lavish ceremonial events and the "Shah-People Revolution" to stimulate national energies and create a sense of national purpose. Exhibiting a kind of prideful pragmatism, the Shah stimulates nationalism by claiming uniquely Iranian solutions to Iranian problems. His own ego has kept pace with the growth of Iranian influence

Intensely proud of his growing reputation as an international statesman, the Shah has sought to publicize Iranian accomplishments in international fora and media, setting forth his own views and philosophy and lecturing other nations on their deficiencies. A similar attitude, fired by his oil-price victories and his concern with a greater Iranian place in the sun, has led him to a significant jump in his international political objectives. He seems to foresee the diminution of power in the West and its flow to the Eastern oil producers. He believes that economic changes initiated by OAPEC are bringing about a new world economic situation in which the producers of raw materials have the right to higher prices, and world wealth and power will be redistributed in their favor.

In assessing the Shah's ambitious public statements it is well to remember that regardless of his sometimes inflated rhetoric he has always acted in a cautious fashion. In Iran, where words are often more important than reality, a statement of intentions can serve the same purpose as an actual program, at least in the short run, regardless of one's capacity to realize the intentions. It is in this spirit that Iran has announced enormous aid and trade deals, many of which, on closer inspection, turn out to be little more than agreements in principle with only an embryonic organization to administer a foreign aid program which is expected to disburse by March 21, 1975, an estimated $2.6 billion of the $9 billion of Iranian aid funds pledged in 1974.

During the past year the Shah again displayed this cautious and pragmatic approach when he stood firm against the oil-consuming West because he was sure that the balance had tipped irrevocably in his favor. Similarly, his reaction to the original Soviet intransigence on natural gas prices was to ask for only about half of what Iran might have demanded in recognition of a situation in which the Russians held all the cards.

However, when a situation seems to threaten his own or the nation's prestige, the Shah sometimes overreacts. He has demonstrated these sensitivities in response to anti-Iranian demonstrations in Holland to use of the term "Arabian Gulf," and to critical statements by Secretary Simon and other U.S. officials. We would expect to see this tendency continue and perhaps be reinforced as Iran's influence grows.

Relations With U.S.:

The Shah appreciates past U.S. assistance and the fact that we have never exploited Iran. He considers us a necessary ally. Nevertheless, as he has grown in confidence and as Iran began to approach its present regional power status, the freedom of access to many areas of Iranian civilian society which we formerly enjoyed has been somewhat constricted. This should not be taken as a symptom of worsening U.S.-Iran relations or as a shift on the part of the Shah away from the U.S. Our relationship is based on a pragmatic perception of parallel interests, and in areas where our interests are in fact parallel our relations should continue to be close, although it may become more difficult to gather information. Some diminution of access may have resulted simply because Iranians are doing business with so many countries now that they have less time for Americans.

We have observed a consequent tendency toward taciturnity and heightened sensitivities among GOI officials which may be partly ascribed to fear of SAVAK or, among certain elements, to distrust of our cooperation with the regime. But in the main the tendency appears to result from the success of our policy in Iran over the past twenty years which has sought to help Iran and its ruler become more strong and self-reliant. As Iran became secure, wealthy and confident enough to differentiate between its interests and those of its patron, it ceased to be always in the Iranian interest to permit foreigners to know how much of its position is pose and how much is fact, and these policy considerations tend to reinforce the traditional Persian penchant for secrecy.

In the military sphere, too, the Shah is attempting to reduce his dependence on the U.S. by diversifying his arms sources where he can without affecting the efficiency of the armed forces which are his ultimate power base. But he realizes that many of the sophisticated weapons he wants and the advisory capacity to train his troops to use them are available nowhere but from the U.S. In addition, at the present time U.S. influence permeates virtually all levels of the Iranian military structure so that a withdrawal or even a sharp reduction of that presence would adversely affect Iranian combat readiness. Consequently, the character of the U.S.-Iran military relationship is not likely to change dramatically in the foreseeable future.

[illegible] United States of a similar kind to [illegible] Shah's attitude [illegible] should [illegible] political [illegible] ship and [illegible] [illegible] gratitude to the U.S. for past assistance to enhance his [illegible] Iranian interests to do so. The creation of a cabinet-level Joint Commission on Cooperation between the two countries, the close and expanding contacts between our two private sectors, and the continuing U.S.-Iranian military relationship indicate that the Shah remains firmly committed to his alliance with the United States. But in a period when our relationship has changed from that of "patron-client" to a more equal one in which our interests do not always coincide, it would be well to remember the Shah's thoroughly Persian pragmatism and not assume he will always act as to think he should.

c. Plans for the Future:

We have often reported that the Shah is intellectually committed to a broadening of democratic practices. This commitment, however, does not mean he wants to import European or American style democracy which he considers permissive, inefficient and not suited to Iranian needs. In recognizing a need for greater popular participation in national affairs, he appears to be pulled in two directions.

On the one hand, the individualism of the Iranian character and the Shah's belief in the divine right of imperial rule demand a strong ruler who can lead from above and minimize the stresses of Iran's parliamentary system. His unfortunate experience with a more democratic Iran during the early Mossadegh era (1951-1953) strengthened this opinion. It has also led to continuing repression of those dissident students, academics, and intellectuals with whom his regime has not found favor. In his present reliance on force in dealing with those who oppose him and his programs for national development before first searching for an acceptable compromise, the Shah is departing from the otherwise Iranian-character of his rule. This is disturbing because it does not fit the consistent pattern of compromise which the Shah has followed throughout his reign and it is not in keeping with the moves of

a society which regards physical force as a last resort. Such a policy entails resentment and, if not moderated, it risks an eventual un-Persian and equally fatal final future response.

On the other hand, he seems to be aware that simply increasing his government's services to the people will not insure perpetual support for his regime and that increased popular participation is necessary. Through freer election procedures, a criticism of his White Revolution by students, intellectuals and others, and the creation of a variety of local government and political party infrastructures he appears to be trying to stimulate participation in political life within well-defined limits. These limits are so narrow, however, that Muslim Party leader Hasser Amiri was recently tossed out merely because he was sufficiently active in his criticism of the ruling Iran Novin Party that he upset the Shah.

We believe the Shah is striving to create a workable system which will incorporate both participation and control, a typically Persian compromise. He seems to be reaching toward a two-tiered structure in which he would remain above politics and would continue to make the decisions which direct national policy and define national life. In the lower tier lively competition would be allowed to determine how and by whom imperial directives would be interpreted and administered. Ideally the Shah would exercise much less control over minute decisions than he does now. But in fact the temptation to intervene at all levels would remain great and the extent of imperial control would depend upon the power and inclinations of the incumbent monarch.

Such a system, in combination with continuing economic growth, could be flexible enough to ensure the survival of the Pahlavi Dynasty following the death of the present Shah, whether in the hands of the Crown Prince Queen Mawh or, (less likely in our opinion), as a result of a takeover by the tough-minded twin sister of the Shah, Princess Ashraf. Recently, the Shah has noted that he has written his "political will." Little is known about the nature of that document save that copies have been distributed to a chosen few and the Shah hopes that it will enable his successor or successors to guide Iran as he would have. It is probable, as he has stated publicly, that he might abdicate at some future time in favor of his son, retaining the status of a sort of elder statesman and mentor who would, in effect, help the new Shah learn to be a king.

Two of the most significant problems he faces in preparing for the succession are institutional: the general cynicism with which politics are viewed in Iran and the prevailing Iranian concept of authority as a constraint to be challenged and circumvented where possible. If he is successful in bringing about meaningful lower-level political participation, he or his successor will likely find the authority of the throne challenged by those newly enfranchised for whom limited participation will not be enough. Some say the Shah's removal from the scene would cause such an up-welling of anti-regime feeling that chaos would result. We believe, however, that given a reasonably tranquil succession in which the army guaranteed stability, the fact of Iran's economic development in which so many have a stake would make dissolution less likely. In any case, it will require deft handling to increase political participation and yet maintain the essentially unchallenged character of the monarchy.

II. Empress Farah:

Still the Shah's greatest family asset and the humanizer of the Pahlavi Dynasty, Empress Farah has developed from an uncertain young woman whose principal tasks were patroness of the arts, welfare and childbearing into an enormously popular national figure concerned with many aspects of Iran's national resurgence, although she still lacks significant influence in the making of policy. She continues to take a sincere interest in the activities of her 24 charitable organizations which, though not so well funded as those of Princess Ashraf, overshadow and garner more publicity than her rival's.

The Shah has long made use of her warm unpretentious bearing and her natural rapport with people by sending her on visits to remote and less developed regions of the nation such as Baluchistan and Kurdistan. He has also demonstrated his faith in her abilities by making her Regent, entrusting her with the education of the Crown Prince, and sending her alone on state visits to the Soviet Union (1970) and China (1972). Yet in 1973, Farah's star seemed to wane.
The publicity devoted to her and her charitable activities was significantly reduced--she made one visit to Switzerland which received no coverage at all--while Ashraf's publicity grew. By June 1974, however, Farah

appeared to have returned to favor. Her public appearances increased and no longer were of an exclusively humanitarian nature. They began once again to take on distinctly political overtones, as with her recent seven-day trip to Iran's central desert region.

This trip, and all of the publicity she receives, appear designed to present Farah to the Iranian people as a concerned, wise and capable leader fit to direct the destinies of the nation and command the loyalty of the population should the need arise. In this we judge that the Shah and the GOI have been only partially successful. She is exceptionally popular and widely accepted, even by many among Iran's conservative religious hierarchy, but primarily as the honest and humane wife of the Shah who can be of help primarily because she can see that petitions and complaints reach his ear. Farah has not yet shown herself to be a strong leader. In a male-dominated society which respects and demands strength in its leaders, there would be formidable obstacles to obtaining widespread acceptance of Farah as Empress or Regent in her own right.

As Farah has grown into her political role, she has recognized the isolation of leadership. In 1972 she observed, "The higher one gets the lonelier one becomes and the fewer real friends are left. Instead, one is surrounded by pettiness." Her statements also often reveal a high degree of personal nationalism and a tinge of the traditional Iranian suspicion of foreigners. In 1971 she remarked, "We will not allow the errors committed by the West to be repeated here. One day perhaps we may even serve as an example to the West. Iran has a unique opportunity and attempts from certain quarters to arrest Iran's progress will be frustrated."

Easily the most liberal of the imperial family and generally regarded as the spokesman for the common man at Court, Farah shares the Shah's disdain for carping Iranian intellectuals who dwell on remaining social ills while overlooking the progress that is being made.

While the Empress lives in an intensely competitive political milieu, an idealistic, humane spirit seems to motivate her actions ("as long as harmony has not been created between politics and humanism, nations of the world are unlikely to achieve happiness, harmony and peace"). This rather idealistic gentleness, which is one

of Farah's great strengths in her relations with people, may work to her disadvantage if she becomes Regent and faces a challenge from her ambitious sister-in-law, Princess Ashraf. The Empress has not been manipulative enough to create a circle of influential Court "supporters" as Ashraf has done, a fact which could give Ashraf an edge if there should ever be a confrontation between them (discussed below).

III. Princess Ashraf:

Since the beginning of the present Shah's reign, Princess Ashraf has been a power to be reckoned with at Court. Strong-willed, impetuous and determined, she helped to stabilize her royal brother's backbone during his early, uncertain years on the throne. Her palace intrigues with the Queen Mother against all three of the Shah's wives and against her half-brother Abdorreza were once notorious, but during the decade of the sixties, as the Shah found himself and grew in confidence, he curtailed her political and personal activities which had helped to besmirch the Pahlavi name.

Much of Ashraf's energies have since been channeled into feminist and human rights causes. She has led the Iranian delegation to the United Nations several times and served as Chairman of the U.N. Human Rights Commission. Additionally, through the Imperial Organization of Social Services (IOSS), which is in constant competition with Empress Farah's charitable organizations, and through her support of the Literacy Corps and the Iranian Women's Organization, Ashraf expends considerable time and treasure on domestic welfare and development matters. Funds to support her good works come in the main from the Pahlavi Foundation and from the National Lottery administered by the IOSS.

Ashraf is also occasionally given an important role in international political matters. For example, the Shah sent her on ice-breaking missions to India and China, both of which resulted in improved relations between these countries and Iran, paving the way for visits by the Shah or the Empress.

Despite the good they have done, Ashraf's charitable endeavors have done little to brighten her image with

the Iranian people, perhaps because of her continuing large-scale business practices. Although the Shah almost certainly has not profited from his sister's questionable dealings, he has been either unwilling or unable to stop them. During Iran's periodic anti-corruption drives, he occasionally has crimped down on the unethical business activities of Ashraf's son, Prince Shahram, who has withdrawn from the threatened activities by transferring them temporarily or permanently to his mother.

As long as the Shah lives, Ashraf and her controversial life style are of little importance except as an ongoing embarrassment to the Pahlavi Dynasty. However, if he should die before the Crown Prince reaches his majority (October 31, 1980) or is ready to take on the responsibilities of monarchy, Ashraf's urge for power, her delight in intrigue and her rivalry with Farah are likely to emerge to the detriment of a stable succession.

Farah Versus Ashraf:

The machinations at Court are so complex and convoluted that one cannot predict who would side with the Empress and who with Ashraf in a power struggle. The most that can be done is to attempt to name a few who might have reason to support one or the other of them.

a. Those Who Might Support Ashraf:

Over the years Ashraf has made friends (as well as enemies) among those who might aspire to a role as behind-the-scenes power brokers in a post-Shah situation.

Prime Minister Hoveyda, who is known to feel that Farah's frequent interventions in favor of local development projects interfere with his own programs and powers, and who attempts to prevent petitions of a political nature from reaching the Queen, may be inclined toward Ashraf. However, he could also be influenced against Ashraf by his brother, Fereidoun Hoveyda, who, in his capacity as Iranian Representative at the United Nations, has fallen afoul of the Princess more than once. In any case, Prime Minister Hoveyda is a cautious man and any support he might be able to give to either side would be tendered only after a careful assessment of the probable results of the contest. Parvin Radji, a

clever "graduate" of Ashraf's stable of young men, is one of the principal advisers to Prime Minister Hoveyda. He might be inclined to urge his present boss to support Ashraf.

Jaffar Sharif-Emami, President of the Senate and former Prime Minister, and Taher Kiai, influential senator and Chairman of the Chamber of Commerce, Industries and Mines, are said to be involved with Ashraf in a number of business ventures and probably would be inclined to support her to protect their own interests.

General Nematollah Nassiri, head of SAVAK, is thought to be close to Ashraf with their relationship stemming from the Mossadegh period when both took firm action in support of the Shah.

Karim Pasha Bahadori, Chief of the Empress' personal office, leads a group of courtiers said to have been placed under Farah by Hoveyda and Ashraf more to keep watch over the Queen and control the flow of information to her than to assist her in her duties.

Prominent among her friends are the Rashidian family who have far-flung investments in banking and land development and who have been influential "arrangers" for over 40 years.

Ali Nozai, wealthy industrialist, would be likely to support Ashraf in return for the protection which she offered him when he was accused of a huge corrupt land transaction in Khuzistan.

b. <u>Those Who Might Support Farah:</u>

The Empress has shown no signs of building up a Court circle of important friends and contacts who could sustain her against the opposition of Ashraf and her supporters. Farah's close friends and contacts, such as Lili Amir-Arjomand, though absolutely loyal, are not the sort to function as powers behind the throne or purveyors of influence. While this would tend to place Farah at an initial disadvantage, she is likely to benefit from the support of a number of high-level figures who, for a variety of reasons, would probably

oppose Ashraf. Chief among these is the rich and powerful Court Minister Assadollah Alam. Alam has been critical of Ashraf in the past for profiting from the distribution of Crown lands and once withdrew from a tractor import deal with Ashraf when he found that she was involved in a number of other deals. As recently as 1970 he was prevented by Ashraf from extending his authority into the preserve of then Minister of Science and Higher Education Majid Rahnema, an Ashraf man.

Manouchehr Eqbal, NIOC Managing Director and a former Prime Minister, has been willing to work with Ashraf but they broke when Eqbal chose Prince Mahmud Reza, the Shah's brother, rather than Ashraf's son Shahram as husband for his daughter. In addition to Mahmud Reza, who has not been forgiven for winning Eqbal's daughter, the Shah's brother, Abdorreza, was the object of Ashraf's intrigues in the 1950s. Assuming neither tries for the throne himself, and there are no indications that either is thinking along these lines, they might be likely to support Farah in order to frustrate Ashraf.

Many co-opted National Front supporters such as Minister of Commerce Foroudoux Mahdavi would probably favor Farah. Ashraf was exiled by the late National Front leader Mohammed Mossadegh and she epitomizes the social ills which were the object of the National Front crusade twenty years ago. Farah, on the other hand, can be seen as representative of a humanized version of the reforms which caused many National Frontiers to see merit in the Shah's regime and become co-opted in the first place.

We believe the military, too, would support the Regency although the emergence of a strongman is always possible. Even if a military strongman should emerge, and especially if he came from the upper echelons of the military establishment (such as General Khatami), he would be likely to want to solidify his own position by ruling through a member of the imperial family, at least in the early stages. Farah would be the logical choice not only because of her legitimacy but because she would be expected to prove more amenable to control from behind the scenes than the headstrong Ashraf.

c. Probable Outcome:

In the final analysis we believe that Farah would emerge the victor, if only in name. Ashraf would

have an initial advantage but the Empress has certain advantages which we doubt Ashraf could overcome short of violence.

The Empress' greatest asset is legitimacy. She is the mother of the Crown Prince and the constitutional Regent. An orderly transfer of power to her would help to maintain Iran's political stability even though her presumably weak hand at the Persian helm would have destabilizing potentialities. Given the likelihood of continued rapid Iranian economic growth for the remainder of the Shah's reign, the major internal power centers other than the Court (i.e., the business/industrial complex, the Iran Novin Party and the military) would probably see their interest in the continuance of stability and thus give their support to Farah.

Farah is genuinely popular among the Iranian people, the only member of the Pahlavi family who could make such a claim. Ashraf, on the other hand, is the most controversial and least popular of her line. She is 19 years older than Farah and may have lost much of her zest for power by the time her twin brother dies. Indeed, she may not survive him at all.

From yet another point of view, time is working against the Princess. Crown Prince Reza will reach his majority in six years and the Shah appears to be in good health. If Prince Reza becomes Shah, and particularly if he ascends the throne through the voluntary abdication of his father, Ashraf's chances of mounting a successful power play would be greatly reduced.

With the passage of time, the possibility that Farah rather than Crown Prince Reza would reign after the Shah is diminishing. If Farah should become Regent, however, her own humane proclivities probably would lead to a limited reemergence of competing organs of government such as the Majlis, to the growth of some local tribalism and increased influence for traditional provincial families and religious figures. Overall stability would probably be preserved but a period of relaxation of the strict political controls imposed on the nation by the present Shah would make it less likely

that Prince Reza would be accorded the unquestioning obedience given his father when he ascends the Pahlavi throne.

IV. The Crown Prince:

Iran's future king is a fourteen year old boy who, despite the official praises lavished upon him, appears to be of average talents and normal adolescent interests. Almost from birth Prince Reza has been the object of a studied campaign to portray him to the Iranian people as their future leader. From early youth he has lived in his own house on the grounds of Saadabad Palace, separated from his parents and brothers and sisters, and attended by a governess. Beginning with his sixth year the birthday of the Crown Prince has increasingly become an occasion of national celebration. He made his first public appearance at age seven during the Shah's 1967 Coronation but the effort to gain acceptance for him as the nation's future leader was accelerated with the 2500th Anniversary Celebrations in 1971. More recently he has made the pilgrimage alone to the Shrine of the Imam Reza in Mashad and taken part in naval maneuvers in the Persian Gulf--activities which are apparently intended to connote a more manly and mature image than his earlier association almost exclusively with social welfare activities.

The primary foreign influence and philosophy in Prince Reza's education have been French, although he studies English as well. Largely for security reasons, the Shah has decided that his heir will complete his education in Iran, emphasizing military training and economics and supplementing his education through foreign travel. The Prince has traveled to Switzerland and France a number of times and in 1973 made an eleven-day trip to the United States.

The Crown Prince is increasingly portrayed in Iranian media as a younger version of his awesome father, but it is too soon to say which of his father's strengths and weaknesses he has actually inherited. The present Shah took two decades to develop into the firm ruler of today. He undoubtedly hopes that the educational program he has planned, the early exposure to affairs of state and his own continuing tutelage, as well as

the stable and prosperous nation he hopes to bequeath to his son, will enable Prince Reza to rule with authority from the beginning of his reign. As long as his father lives and advises from behind the scenes the new Shah should have the uncontested opportunity to improve his position and establish the habit of obedience among his subordinates. Given continued economic growth of the nation, it seems unlikely that any of the major elements in the internal Iranian power structure will feel an immediate need to challenge the new monarch. Sooner or later, however, given the traditional Persian attitude toward authority, he will be challenged, and he must then show himself to be a firm and determined ruler or see his power erode.

MIKLOS

The Succession Problem

The succession problem in Iran is of more than passing importance because of the overwhelming personal role of the present Shah. No matter who succeeds the present monarch, he or she cannot hope to exercise the same degree of personal domination and control over as many facets of Iranian life--political, economic and social--as the present Shah has done for the past 20 years. Neither the Empress nor the Crown Prince nor any other individual on the horizon today will have the Shah's unique position and good fortune in having brought back Iran from the brink of disaster after World War II, then rescuing the country from economic disintegration under Mossadegh, and finally supervising an economic development program and social revolution--the "White Revolution"--which, thanks to the oil price increases of the mid-70s, has produced an economically growing, independent nation that is internationally respected.

Given the Shah's dominant position and the prevailing social tensions brought on by rapid economic development, the timing of the Shah's departure from the scene will have considerable influence on what happens next. There are institutions in Iran, such as the parliament (Majles) which have on occasion played an important part in the country's history. The army and the growing middle class may be expected to play roles ranging from important to predominant depending upon the why and how of transition. There are also centrifugal forces such as religious radicals and a substantial number of moslem Shiite clergy; left wing radicals, including terrorists; and potential factions within the Court and the Royal Family. Should the transition to a successor to the Shah occur within the next five years, the chances of an early power struggle would be substantially greater than if the Shah remains at the center of the political stage for another 10 to 15 years or more. The greatest problem facing U.S.-Iran relations during the succession period would be the extent to which our mutual perceptions of self interest would be shared by a successor regime. The closeness of U.S. ties to the Pahlavi dynasty could quickly become a principal issue in any factional or ideological struggle for power in the wake of the Shah's demise.

The Short Term:

Should the Shah die or be killed before the Crown Prince becomes 20 (October 31, 1980), Empress Farah would take over as Regent in accordance with the Constitution. She would

govern with the aid of a Regency Council composed of the Prime Minister, the heads of the Majles and the Senate, the Chief Justice of the Supreme Court and four persons selected by the Regent. Unless there were complicating elements, the security forces and the rest of Iran's modernizing elite would rally behind the legitimate succession. Government policy would remain essentially the same, but the style of rule would combine tradition with a stronger tendency to democratic consultation and coalition building.

If the Regent and the new Shah were unable to build a political coalition around an effective leader, a period of chaos would most likely follow, permitting extremist elements such as leftist radicals or fundamentalist Moslems to disrupt politics and force intervention by the military and security services, either on behalf of the dynasty or a new strong man in the Reza Shah tradition.

Successful evolution of the Iranian political system will depend on how tightly Iran's middle class and technocrats stick together and whether institutional support could be developed for policies continuing along present lines. Key factors here would be the emergence of the Resurgence Party (Iran's single political party) and the ability of the leadership to rally a positive majority in the Majles and Senate.

A less likely, but possible, evolution would involve the Shah's violent death under circumstances which would disable or kill the Empress and/or the Crown Prince. Under such circumstances, the Shah would probably be succeeded by a strong man who either starts his own dynasty or abolishes the monarchy and takes a title such as President of the Republic. To mobilize public support, the new Chief of State might be driven to extreme nationalistic appeals, including the removal of foreign presences in Iran. If he also moved to weaken Iran's ties with the West and edge toward a treaty of friendship and cooperation with the USSR, opposition within Iran would probably lead to violence and the new government would be faced with retrenching or, in extremes, appealing for Soviet "help."

The Long Term:

If the Shah's disappearance is delayed from 10 to 15 years, the transition to a "Post-Shah" Iran should be easier and the possibility of either a bitter prolonged power rivalry and/or extended fumbling will be reduced. Given reasonable economic

progress and political development, in another decade or two the political-economic-social structure will have had time to evolve further and those with a vested interest in stability will have grown even stronger. The rapidly growing middle class will be more dominant, though it will want a greater share of power and direction, than in the earlier time frame. Moreover, the possibility of intrigue and maneuver on the part of the Court, especially Princess Ashraf, should be substantially reduced. The new Shah will have had some experience--and hopefully a certain maturity--which will make him less subject to manipulation and more aware of the emerging limits on the monarch's role at a time when the pressures for shared power and participation will be very strong. Another ten years of political evolution is likely to reduce even further the influence of fundamentalist Moslems in Iranian public life.

Caveats:

An important element in the power game which will follow the Shah's departure will be the influence of foreign powers. For the present, the U.S.S.R. seems prepared to play a waiting game, but once the Shah goes, the Soviets may devote substantial energy and resources to exploit every sign of confusion, uncertainty and divided counsel. We would hope that the U.S. would be able to use its influence in such ways and at such times as to counter the Soviet efforts and allow moderate domestic forces to exploit the possibilities of maintaining relative stability under conditions of natural advantage.

Although the Shah has been an overwhelming figure in Iran, it would be a mistake to assume that chaos will inevitably follow his demise. There are institutional forces and solid personalities within the present government establishment who could give strength to a smooth transition. Moreover, to the degree that the Shah is able to ease domestic social tension by opening up more or less acceptable channels for dissent--perhaps through the Resurgence Party or more lenient interpretation of basic security legislation for those who are not involved in terrorist violence--the system itself will be more capable of making the adjustments which will be required in post-Shah Iran.

The above assumes no fundamental changes in U.S.-Iran relations prior to the Shah's departure. If we should find ourselves at severe loggerheads over arms sales, human rights, or energy and economic development policy to the extent that this significantly weakens or changes traditionally close ties between our two countries, it may also alter Iranian

perceptions of where Iran's future interests lie. This in turn, under a successor government, might raise questions regarding our continued use of intelligence facilities; access to Iran's ports, air corridors, and gas and oil; and the future of Iran-U.S. trade. In this situation, our ability to affect succession and transition arrangements would not be as great as it is now.

POL:JDStempel

DEPARTMENT OF STATE

TELEGRAM

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FROM: Amembassy TEHRAN

E.O. 11652:
TAGS:
SUBJECT:

ACTION

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ACTION: SecState WASHDC

INFO: Amembassies: ANKARA
BAGHDAD
CAIRO
JIDDA
KABUL
KUWAIT
LONDON

Strobel, Tarnoff

SECRET TEHRAN 6776

E.O. 11652: XGDS-1

TAGS: PINT, PGOV, MNUC, IR

SUBJECT: Iran's Modernizing Monarchy: A Political Assessment

1. Below is summary of Tehran's A-128 being pouched to your post and wider list of addressees.

2. Iran's rapid economic expansion has not produced a concomitant growth in political participation. Many groups, while maintaining enough ties with politicians to protect their interests, have held back from deeper political activity because of uncertainty or cynicism about the current political system. The Shah completely dominates present Iranian politics, but ambitious and emerging groups will have to be successfully engaged

DRAFTED BY: POL:JTDavis/ [illegible] 7/1/ [illegible] DOE:[illegible]

CLEARANCES:

POL:ABolster [illegible]

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in the political powers if Iran is to continue developing in relative stability. The composition of Iran's elite is changing, and many groups which [illegible] — businessmen, military officers, middle class professionals, and many intellectuals — might find their traditional position challenged, particularly by a [illegible] which diluted elite unity between two or more power contenders.

5. There is no strong overt opposition to the present government. Religious conservatives are dissatisfied with many aspects of modernization, but remain only politically troublesome. Terrorists get publicity and are a serious irritant, but have only marginal impact on Iran's political dynamics. Moreover, the GOI has recently been hunting them down with much success. Some students and intellectuals, particularly those abroad, oppose the regime, but they are not organized to gain internal public support. As long as economic conditions remain relatively favorable and the Shah or a legitimate successor remains in power, future dissidents are unlikely to significantly affect Iranian political evolution.

4. Persian politics, [illegible] on personalities and on the [illegible] and factions. [illegible], there

little institutionalization. The Majles' [illegible] declined, and the Rastakhiz Party is [illegible] capable of playing an [illegible] although its members, appointed [illegible] in the Majles and Senate, are by and large [illegible] representatives of modern society combine with traditional Iranian patterns of paternalistic authoritarian leadership. The Shah, the government, and the Party say they want to change traditional values by decentralizing both government and Party administration, but implementation is glacial. The success of this process will be one measure of the Iranian political system's ability to adjust to managing a modernizing society.

5. Externally, Iran has begun to try and affect its external environment after decades of being acted upon. The Soviet Union remains Public Enemy No. 1, and the U.S. is Iran's primary big power supporter. However, resurgent Iranian nationalism has made the GOI more critical of its relationships with friends, and the temptation to blame emergent ills of industrial and economic development on foreign inadequacies is growing [illegible]. Iran is attempting with some success to better its relations with its neighbors and to play a leading role in Persian Gulf affairs.

OPTIONAL FORM 10
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6. Excluding radical accidents such as the Shah's sudden departure, Iran will experience increasing difficulties managing economic growth coupled with greater political participation by developing Party groups which E are likely to criticize the GOI more. This will probably result in some limits on political activity counterbalanced by more intense criticism of foreigners. Iran will make the adjustments in attitudes necessary to run the emerging society, but the process will not be easy. Oblique accommodation, not confrontation, will remain the quintessential Iranian political style, and over the next 5-10 years the Shah will either himself begin to share political responsibility with other, newer groups or be forced to, as his inner circle begins to retire or die. Should a succession crisis occur within the next 6-7 years, the Regency Council would probably hold the country and the monarchy together initially, but power could quickly come up for grabs if the centrifugal forces of change drove various groups to put their own interests ahead of [illegible] unity and stability.

7. Assuming the expected evolution, U.S. interests lie in maintaining close relations with Iran supportive of modernizing developments. This will require

face of occasional hostility, and a willingness to speak firmly and honestly to defuse problems before they threaten to disrupt what is essentially both an internal and external evolution generally favorable to American interests.

HELMS

OPTIONAL FORM 10-2a(41)
(Formerly FS-443(5-63))
January 1975
Dept. of State

SECRET A-123

Department of State

INFO: Amembassies ABU DHABI, AMMAN, ANKARA, BAHRAIN, CAIRO, COLOMBO, DACCA, DAMASCUS, DOHA, ISLAMABAD, JIDDA, KABUL, KUWAIT, LONDON, MANAMA, MOSCOW, MUSCAT, NEW DELHI, TEL AVIV, USINT RACHDAD

RELEASE 3

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July 8, 1976

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DINT, PGOV, PFOR, IR
Iran's Modernizing Monarchy: A Political Assessment

SUMMARY: Iran's rapid economic expansion has not produced a concomitant growth in political participation. Many groups, while maintaining enough ties with politicians to protect their interests, have held back from deeper political activity because of uncertainty or cynicism about the current political system. The Shah completely dominates present Iranian politics, but existent and emerging groups will have to be successfully engaged in the political process if Iran is to continue developing in relative stability. The composition of Iran's elite is changing, and many groups which basically support the regime -- businessmen, military officers, middle class officials, and many intellectuals -- might find their loyalties seriously challenged, particularly in a succession crisis which diluted elite unity between two or more power contenders.

There is no strong overt opposition to the present government. Religious conservatives are dissatisfied with many aspects of modernization, yet remain only potentially troublesome. Terrorists get publicity and are a serious irritant, but have

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only marginal impact on Iran's political dynamics. Moreover, the GOI has recently been hunting them down with more success. Some students and intellectuals, particularly those abroad, oppose the regime, but they are not organized to gain internal public support. As long as economic conditions remain relatively good and the Shah or a legitimate successor remain in power, these dissidents are unlikely to significantly affect Iranian political evolution.

Persian politics still depends overwhelmingly on personalities and on the influence of family and friends. Despite recent economic development, there has been little institutionalization. The Majles' power has declined, and the new Resurgence Party is not yet organizationally capable of playing an influential role although its leaders, operating through the Political Bureau, are having some impact. Technological imperatives of modern society conflict with traditional Iranian patterns of paternalistic authoritarian leadership. The Shah, the government, and the Party say they want to change traditional values by decentralizing both government and Party administration, but implementation is glacial. The success of this process will be one measure of the Iranian political system's ability to adjust to managing a modernizing society.

Externally, Iran has begun to try and affect its external environment after decades of being acted upon. The Soviet Union remains Public Enemy No. 1, and the U.S. is Iran's primary big power supporter. However, resurgent Iranian nationalism has made the GOI more critical of its relationships with friends, and the temptation to blame emergent ills of industrial and economic development on foreign inadequacies is growing. Iran is attempting with some success to better its relations with its neighbors and to play leading role in Persian Gulf affairs.

Excluding radical accidents such as the Shah's sudden departure, Iran will experience increasing difficulties managing economic growth coupled with greater political participation by developing Party groups which are likely to criticize the GOI more. This will probably result in some limits on political activity counterbalanced by more intense criticism of foreigners. Iran will make the adjustments in attitudes necessary to run its emerging society, but the process will not be easy. Oblique accommodation, not confrontation, will remain the quintessential Iranian political style, and over the next 5-10 years the Shah will either himself begin to share political responsibility with

other, newer groups or be forced to, as his inner circle begins to rotire or die. Should a succession crisis occur within the next 6-7 years, the Regency Council would probably hold the country and the monarchy together initially, but power could quickly come up for grabs if the centrifugal forces of change drove various groups to put their own interests ahead of unity and stability.

Assuming the expected evolution, U.S. interests lie in maintaining close relations with Iran supportive of modernizing developments. This will require substantial diplomatic finesse, forebearance in the face of occasional hostility, and a willingness to speak frankly and honestly to defuse problems before they threaten to disrupt what is essentially both an internal and external evolution generally favorable to American interests. END SUMMARY.

What follows is an overview of where Iran seems headed and some of the factors which will shape its future. It draws together a number of threads from past reporting and references (NOTAL) to Embassy reporting are included in the text for those who wish to explore individual aspects in greater detail. This political assessment looks first at Iran's discernible internal dynamics and its external relations, then at its likely future evolution and finally makes some general judgments on where U.S. interests lie.

I. INTERNAL POLITICS - PROSPERITY AT THE EXPENSE OF PARTICIPATION

Iran's rapid economic development over the past several years has not been accompanied by parallel advances in political participation. As a result, Iran depends very heavily on one man -- the Shah -- for political leadership and guidance. Nevertheless, forces are at work which may eventually create a different political balance in the country. Development has not yet progressed far enough to lay down with even reasonable certainty a moderately long-term prediction of the path Iranian political development is likely to take over the next five to 15 years without major events -- if the Shah lives, if the army remains apolitical, if the Resurgence Party becomes an effective political device, etc. Even Iranian analysts retreat from certainty when pressed to delineate future trends. Western observers are at a double disadvantage -- indicators are confused and Western values, while often accepted on the surface in Iran, do not seem wholly appropriate for an analysis of this modernizing monarchy.

There is no doubt the Shah is in full command of the Iranian political process (Tehran's A-19 of January 26, 1976 and A-239 of November 30, 1976). Whether one accepts or not the view that he deliberately dismantled the Iran Novin Party, Iran's first mass party since the Tudeh (Communist) Party, because it was becoming too strong, it is clear that changing Iran into a one-party state in April 1975 and creating the Resurgence Party of the People of Iran (RPPI) brought the Shah into a more active political role. He can be influenced, but unlike the Mossadeq period of 1949-1953 or the subsequent National Front era ending in 1963, there are no independent forces presently on the horizon which can challenge him (Tehran's A-71 of April 11, 1975 and A-239 of November 30, 1976).

The Shah's formula for Iran's future is well known: Iran will continue its oil-revenue-based development and diversify. The Resurgence Party will express the will of the people and, along with the Majlis (Parliament), will gradually shape the nation's future. When the Crown Prince reaches a suitable age probably in his late 20's, the Shah has said he will abdicate in his favor and guide him until he is able to rule with the necessary force and vigor. This scenario is based on the Shah's belief that he has effectively centralized power around the institution of the monarchy and has only to transmit it carefully to his son. In the Shah's view, the monarchy represents a basic stabilizing influence necessary to hold Iran together while Iranians are tutored in the proper participatory roles.

The most obvious alternative to this scenario is the possibility that the Shah might leave the scene by either accident or design over the next three to five years before the Crown Prince reaches his majority. Unless the Shah's demise occurred under exceptional or mysterious circumstances, the Regency Council headed by Empress Farah would probably emerge not only in law but in fact as the ruling body, at least for the short term. Evolution beyond this point would depend upon factors which have not yet stabilized themselves.

Speculation is difficult because major internal strains have arisen in Iranian society largely as a result of the successful development process pursued since the mid-1960's and swiftly accelerated by the oil price increases of 1973-1975. Iranian society, which had scarcely begun to assimilate politically the results of earlier growth, now finds itself dealing with a number of evolving factors whose strength and direction of impact is unclear:

-- a changing elite working within a conservative bureaucracy attempting to manage an increasingly complex development process.

-- more demands for political and economic participation by groups -- students, businessmen, workers, middle class functionaries, and even in some cases, conservative religious elements (Tehran's A-48 of March 11, 1975 and A-239 of November 30, 1975).

-- somewhat slower economic growth than anticipated for the immediate future, including an anticipated budget deficit of $2.1 billion for the present Iranian year, March 21, 1976 to March 21, 1977 (Tehran's A-85 of May 4, 1976 and A-99 of May 26, 1976).

-- greater involvement in foreign affairs, partly by Iran's own choice, and partly through circumstances.

More than most countries, Iran finds itself facing a wide range of future possibilities that are difficult to narrow down in advance.

Internal Situation-Group Influence

A number of plus factors support more stable options within a changing institutional framework:

Military elites are, or have become, basically apolitical supporters of the present regime (Tehran's A-90, EMBTAS, of May 6, 1976). The present generation of military leadership came to power at the pleasure of the Shah as a reward for intense loyalty. It is counted among the strongest backers of the present monarchial system and would undoubtedly provide the linchpin for holding the Regency Council together in the event of a premature succession crisis. Points of concern exist, however: The younger generation of officers, more technically qualified, "modernized," and from a much broader strata of society than the aristocratic or upper class sons who have staffed the officer corps since Reza Shah's time, are less tied to the monarchy.

In military affairs, as in many other aspects of Iran's evolving society, complexity makes it impossible for the Shah to control even small decisions as he used to do. The Shah's increasing acquisitions of modern weaponry are beginning to create strains which are almost certain to grow. A modern army requires discretionary decision-making power to make

modern weapons systems functions effectively. Where this is not granted, discontent exists; there it is almost, disaffection can grow. The military forces are undoubtedly loyal, but there are sound sociological reasons why not all of the officer corps might remain so, particularly if its loyalties eventually became the prime in a tug-of-war between rival civilian groups or claimants to the throne.

Most Iranians have enjoyed unprecedented prosperity in the past five or ten years, and this group has spearheaded Iran's economic development. The price control campaigns of the past year have diminished their enthusiasm for the regime, but they are not agreed on how things should be changed. A number of younger individuals see their futures primarily in economic endeavors and do not seek personal fulfillment in political activity as readily as their elder brethren did (Tehran's A-48 of March 11, 1973).

Tribes of Iran, always a prime source of separatist or decentralizing tendencies in Iran, appear to be fading as a distinctive influence in politics. Recent economic expansion has enticed many tribal figures into developmental activities linked with Iran's modernizing sector. Tribal leaders have gone into business, and many, if not most, tribal members have greater links to more stationary urban and rural peoples than had been believed. The only significant tribal group to pose even a potential threat to the government is the Kurds, and for various reasons they do not seem in a position to do so (Tehran's A-5 of February 29, 1973). The longer Iran is at peace with itself and tribesmen and women become integrated into the modern economic and social fabric of Iran, the less tribes per se are likely to pose distinct political problems for this or any future regime.

Iran's middle class -- small shopkeepers, government officials, professionals, etc. -- all have a substantial stake in Iran's present prosperity. Except for some dissatisfied individuals this group is probably the backbone of the monarchial system as it functions today. Occasionally disgruntled at their lack of civil liberties, these individuals at least implicitly accept the tradeoff of prosperity and economic well-being in exchange for the curtailment of criticism. Among this group are many former National Frontiers who have accepted the Shah-People Revolution as aimed at the betterment of life for Iranians. In fact, one of the Shah's major achievements of the past 12-15 years has been to woo former malcontents into supporting positions. Perhaps the best example of this is former Minister of Commerce Foroidoun Mahdavi, who is now

Minister of State for Party Affairs. As in the case of businessmen and particularly military officers, support of this group is contingent on performance by the regime -- its loyalties seem based on "What have you done for me lately?" While it would take disorder or repression of an extremely high order to turn many toward terrorism or open opposition, more criticism can be expected within existing institutions and limits as Iran's economic choices become clearer and more feel relatively disadvantaged.

Labor plays almost no independent political role in Iran. The country's unions are run under firm government supervision, and organized labor has been one of the substantial beneficiaries of the economic boom. Laborers, however, do not always share leadership's enthusiasm for the country's economic state or current economic policies. As inflation has eaten away at buying power, particularly over the past 18 months, there have been occasional, unpublicized wildcat strikes or other forms of protest against the price/wage squeeze. In part, the GOI's price control campaign was an attempt to meet those concerns, but it has not eliminated the problem, and several firms have experienced labor demonstrations over wage questions. The GOI also heavily subsidizes basic consumer staples -- tea, rice, sugar, etc. In addition to being costly, this program acts as a severe disincentive to agricultural development by keeping prices artificially low.

While prosperity and expansion continue, however, an overwhelming percentage of the labor force will find it in its own interest to support, at least tacitly, the status quo. In a succession crisis, particularly one which followed a period of rapid inflation, laborers could well break ranks with labor leadership and form mobs which could be directed against the government.

The Dissatisfied

There are two categories of people which can be considered "out" groups -- religious conservatives and terrorists -- plus a third group -- students and intellectuals -- which is significantly divided on whether it wants "in" or "out."

Terrorist groups are the only organized entities actively opposing the Shah's regime. While they gain substantial publicity and serve as scapegoats for infringements on western concepts of civil rights, they are, for the present, on the

outskirts of the Iranian system (Tehran A-211 of November 23 1975). The two principal terrorist organizations (possibly two branches of the same organization) have not gained even minimal support from "the people." In fact, most of the recent successful police operations against them have resulted from citizen assistance to the police.

With the unveiling of evidence that the terrorists are supported by outside forces (Tehran's A-100 of May 27, 1976 and 5025 of May 10, 1976) coupled with the successful roundup of several terrorist groups from December 1975 - present, the Iranian government has apparently put a severe crimp in both the terrorists' image and organization. Never numerous (between 200-300 in-country activists are estimated to be still at large, plus an unknown number of sympathizers, perhaps 1-2,000), the terrorists are at most a force in waiting for a serious governmental mistake or a distinct worsening of Iran's economic and political circumstances. While they remain a danger to military and security forces and diplomats, especially Americans, their impact on Iranian internal politics has been minimal. They have succeeded in earning Iran a modest bad press abroad through their anti-Shah activities.

A more complex problem for the regime is the group of religious conservatives, both clergy and laity, which attacks the Shah from the right of the political spectrum for yielding to "evil" modernizing influences. Much is made of Iran's development, its new elite and the ubiquity of change. However, a sizeable minority, perhaps even a slight majority of Iranians, particularly in the rural areas, have neither changed their attitudes nor are inclined to accept "modern" (Western) mores. They reject part of what the Shah has done (such as giving women the vote) as against the will of God and harmful to the true faith of Islam. University students of this persuasion are the chief recruiting targets for the "People's Strugglers," (Mujahidin-e-Khalq), the terrorist group closest to right wing Moslems.

More important, respectable Bazaar merchants, ordinary farmers and pious Moslems in all areas, but especially those favoring traditional lifestyles, feel themselves alienated from the regime. Two recent events have underscored this -- the Shah's decision to change Iran's calendar from the Islamic calendar to one based on the beginning of the Persian Empire (the year in Iran is now 2535 rather than 1356); and the death of Ayatollah Shamsabadi, a popular religious figure in Isfahan. (Tehran's 5025 of May 10, 1976). There are widespread undercurrents of discontent with the calendar change, despite the

Shah's announcement that religious celebrations would remain on the same dates, and conservative mullahs are using this evidence of the Shah's "godlessness" to criticize the regime anew. The death of the Ayatollah, eventually laid to night wing Muslim fanatics (Tehran's A-101 of May 27, 1970), has resurrected the issue of alleged foreign support for anti-regime Iranian religious groups and leaders.

Should a situation of collapsing public order and less decisive leadership than presently exists come about, the mullahs and their followers, including wealthy merchants both in Tehran and the provinces, constitute a loosely organized force that could coalesce around an issue or an incident to offer a real challenge. This force is only potential, and not well organized -- its activation would depend on circumstances. The regime has made some gestures toward this group which have failed to appease it, and the GOI clearly recognizes the situation's sensitivity -- contacts with religious figures by foreigners is discouraged and SAVAK exerts a great deal of effort monitoring religious activities of even those mullahs friendly to the regime. There is probably less information available to foreigners about the dynamics of this sociological strata than about any other.

Intellectuals -- students, and faculty -- fit into the Iranian system in several ways, some extremely confusing. University students within Iran constitute a pressure group on university-related issues of interest to them. Within the country, student activities is encouraged only within the bosom of the Resurgence Party. About 8,000 students have seriously participated in the price control campaign, an effort which has some attractive features from the government's point of view: It places the students at odds with merchants and the business community while improving at least slightly the student image vis-a-vis the average citizen.

Unofficial student activities, including standard riots and demonstrations, have continued over the past year (Tehran's 19452 of December 29, 1969), but there has been a noticeable slackening recently as the school year ended. Perceptive Iranian observers believe this relaxation is largely fortuitous and that the Iranian government has not yet really developed an effective style for handling student dissent. The GOI has alternated between harsh repression of riots on one hand and abject surrender to student demands on the other. This has greatly increased faculty opposition without much impact on student behavior, except to encourage the more bellicose to press their demands. The 1970 Iranian Conference

and continuing meetings began to deal with this and many other problems of rapid educational expansion (A-[illegible] of September 30, 1976), but no operational doctrine for administrators has yet emerged.

Activities by Iranian students abroad have been a major irritation to the regime. Iranian Student Association activities and demonstrations in the U.S., India, Britain and France, have contributed significantly to such bad press as Iran has received. The Shah's own reaction to these activities has been puzzlement at the ingratitude of these individuals, many of whom studied or are studying on government scholarships. He cannot understand why they are not more grateful for what he has done for Iran.

Difficulties in the Shah's relationship to student and faculty intellectuals dates back to his return to power in 1953. Many of the rising middle class, including university people, supported Mossadeq; royalist support was heaviest among traditional groups, aristocrats and landowners, and royalist rhetoric appealed to them, not to the modernizers. In the intervening years, the Shah has changed his basic appeal, captured the modernising revolution, and appealed to the emerging elites through the mechanism of the Shah-People Revolution (A-31 of February 24, 1975). His rhetoric even now does not appeal to many students and some teachers and a basic residue of suspicion remains. However, even earlier many intellectuals supported the monarchy, and many more have come to do so since 1953. The Resurgence Party has been designed, at least in part, to draw on the skills of university men and women and encourage their participation in Party groups (Anjomans) and elsewhere within the Party's organization structure. The government has succeeded somewhat -- the ranks of the RPPI and key government ministries are sprinkled with academics; since most professors in Iran hold at least two jobs, many have simply included Party activities as one of their "outside" efforts.

Fluid Institutionalization

Another difficulty in describing, explaining, and predicting the present Iranian sociopolitical constellation is that little political institutionalization has taken place. What which has occurred is so heavily based on personal relations that it is difficult to gauge and project the relative power of groups without an extensive knowledge of family ties, historic enmities, and the Shah's current predilections.

Even then, such ties are subject to sudden change. Creation of the Resurgence Party has meant the institution-building which took place over several years in the Iran Novin Party must be repeated again. Although the Shah has made it clear he fully supports RPPI organization-building efforts (Tehran's A-220 of May 6, 1975), the actual mechanics of putting the Party's structure in place will take at least another year. Moreover, there continues to be widespread cynicism about the RPPI's ability to play an effective role, to establish political options for the government, and to direct development (Tehran's A-328 of November 20, 1975). Results on which to judge this evolution have been chimpy but initially encouraging (Tehran's A-43 of March 21, 1975), but Iran is a long way from having a disciplined single party organization with effective political influence.

The power/influence of the Majles has declined somewhat. This is hardly surprising, since 244 of 268 deputies and 27 of 60 senators were new in September 1975. Newcomers have spent the past year learning their jobs and feeling their way into relationships with the government and the RPPI. The Majles remains, however, Iran's chief political legitimizing body.

Neither the RPPI nor the Majles have yet developed a distinctive political style. The Majles remains a potential arena for groups to articulate their demands, but for the moment, most political activity is taking place in the RPPI. Party leaders are making much-heralded provincial trips to stimulate organization, and hold town meetings to listen to citizen complaints. The national and provincial governments have responded to citizen demands (as transmitted through the Party) in many lesser cases. The Shah himself encourages government responsiveness to the "will of the people" as expressed through the RPPI and the Majles, but there has been no major issue yet on which the public "will" has differed in any degree from what the Shah wants to do.

The Party and the Majles do not now -- but might in the future -- constitute organizations which would challenge the Shah's outlook and policies. His informal political control over both groups is thus far giving him the best of both worlds -- control over general policy on those things important to him, yet encouragement of representative institution-building. For most Iranians, however, the crucial evolutionary period will come if popular preferences which differ from the Shah's -- for example, on allocation of manpower for defense -- find institutional expression sufficiently powerful enough to either prevail against or alter the royal will. The Majles, particularly, could play an important legitimizing role in a succession crisis.

the national government itself is dominated by Iran's most consummate politician, Amir Abbas Hoveyda. He has been for 11 years the loyal, dedicated Prime Minister of the Shah. Hoveyda understands his power is inversely proportional to the degree he attempts an independent, institutionalized prime minister's role. Hence, he is the chief implementor of royal ideas, not a political creator. Hoveyda handles the Majles superbly; he has his own net of private advisors which permit him to manage a cabinet which contains at least two of his principal rivals -- Interior Minister Amouzegar and Finance Minister Ansary -- and he is Secretary-General of the Resurgence Party (though he has said he will give up this post at the October Party Congress).

Historically the central ministries have been strong since Reza Shah reunified Iran in the late 1920's. Now, to manage modern complexity, the government has embarked on a decentralization program to move both ministry personnel and many resource allocation decisions out of Tehran to the provinces. This process is just beginning and, similarly with respect to Party organization, it will take several years to break officials' habits of looking to Tehran for everything. There have been encouraging starts in some of the major provincial centers -- in Fars Province, for example, many of the ministries are already decentralized (Tehran's A-250 of December 17, 1975). In Isfahan, only one or two ministries have full local support offices, and in most other provinces, governmental personnel have not yet assimilated either the basic concept or the behavioral attitudes necessary to make decentralization work.

Government and Party leaders believe RPPI organizing efforts in the provinces will aid the decentralization process -- as the Party knows develop wants, they will approach local governments and a "pull" toward decentralization from the bottom as well as a push from the top may begin. This is likely to be a long term effort extending three to five years at a minimum, but at least a mechanism is being put into place. The next major step will be the election of village and local councils in October, 1976. Separate RPPI local organizations are being established over the next six months, but it is not clear whether or how much of an overlap in membership with the village and rural councils there will be.

For the next year or two at a minimum, significant governmental decisions even in the local economic sphere are likely to be directed, if not taken, by government and party organs in Tehran. For the foreseeable future, the central government will make all major decisions under the Shah's direction.

This would most likely be the case even if a succession problem arises prematurely. Any successor regime will first move to assert control over governmental organs at the center and in key provincial areas. A succession situation which developed over the next five to seven years would almost certainly halt and probably dismantle the decentralization effort, at least until the new government assumed full political control of the country.

II. IRAN AND ITS EXTERNAL ENVIRONMENT

While Iran has been developing and changing from within, relationships with its external environment have been undergoing important changes, too. For most of the last hundred years until the late 60's, Iran has either been, or felt itself to be, at the mercy of external powers. From 1900 until the immediate post-World War II period, the British and the Russians exercized extensive influence in Persia. At the time of the 1946-1947 Azarbaijan crisis, the United States replaced Britain as Iran's most dependable great power support. Since the late 1940's, the U.S. has been Iran's principal ally and supporter vis-a-vis the USSR. Iranian and U.S. views have remained very close on all major and most minor issues, with the exception of oil nationalization during the Mossadeq period and oil pricing during the current era (1973-present).

History has convinced the Shah and most Iranians that Iran's greatest threat comes from the Soviet Union. Despite the normalization of commercial and political relations with the USSR, which began in 1959, that country is still considered Iran's major enemy. The rationale for Iran's extremely close ties, early dependence upon, and current military supply relationships with, the U.S. follow naturally. Beginning in the late 1960's, however, the Shah has been much more active in trying to shape Iran's external environment. This has been accompanied, particularly since the 1973 oil price hikes, by a general increase in Persian national pride which has made itself felt both on the international scene and upon foreigners resident in Iran. While Iranians still fear they may be manipulated by foreign powers (CIA control of Iran remains an article of faith among Iranian radicals abroad and, unfortunately, many others in Iran), the Shah is much more willing to assert Iranian influence in the international arena, and his fellow citizens accept with pleasure such evidence of Iran's growing prestige.

Iran has consistently taken the position within OPEC that additional price increases in petroleum should maintain producer buying power by establishing a relationship between

raw material prices and costs of industrial goods. The GOI expresses a consistent preference for revising the world economic order to provide a better deal for primary producers. While not approaching the radical have-not rhetoric of the more militant members of the Group of 77, Iran is prepared to press firmly for an economic reordering in forums such as CIEC and UNCTAD.

Other evidence of Iran's growing self-confidence in foreign affairs have been the rapprochement with Iraq in March, 1975 (after which Iran ceased supporting Kurdish rebels there), and Iran's proposals for some form of Persian Gulf security arrangement (Tehran's 3389 LIMDIS of April 5, 1976) among the littoral states. Iran has taken an almost proprietary interest in Gulf politics, providing troops for Oman to combat a communist threat (Tehran's 4420 LIMDIS of May 3, 1976) and expressing extreme sensitivity over Arab trifling with the name "Persian Gulf" as well as meddling by "others" (Tehran's 3715 of April 13, 1976; 4199 of April 26, 1976; and 2686 of March 15, 1976).

The Shah, who completely dominates the conduct of Iranian foreign relations, has also turned his attention to improving his ties with regional neighbors through increased regional cooperation. Iran has participated actively in recent CENTO and RCD meetings and has exchanged or is exchanging state visits at various levels with Pakistan, Turkey, India and Afghanistan. The Shah has claimed some credit for the recent Pakistan-India rapprochement as a result of his discussions with both parties. Iran remains committed to a relatively moderate line on the Arab-Israeli dispute, but has moved closer to its Moslem brethren over the issue of a desirability of a Palestinian homeland. Iran's misgivings/uncertainties about its neighborn center around Soviet penetration of the area, real or imagined. The Shah is concerned about Afghanistan's future after Daoud leaves the scene, and there is a general Iranian government perception that the Soviets would like to dismantle parts of Afghanistan, Pakistan and Iran to create an independent Baluchistan (to provide a Russian outlet to the Indian Ocean).

Many of the efforts underway to improve relations with Asian countries occur in strictly bilateral fashion which may have undesirable side-effects. Closer contact with India, for example, can occasionally cause concern in Iran's relations with Pakistan. Bilateral policies are generally not placed into a well-designed multilateral framework (Tehran's 6008

of June 14, 1975). The concept of the Indian Ocean Common Market proposal and the Iranian-proposed Middle East Nuclear Free Zone, which [illegible] have been [illegible] trip to Australia, New Zealand, Singapore, [illegible]. It has never been clearly spelled out and is based on the vague presumption that littoral states of the Indian Ocean will in future find their economies complementary. Even if that were true, it is difficult to see how economic interrelations would then lead to cooperation in promoting security in that vast area, as the Shah discusses. The Middle East Nuclear Free Zone has been proposed by Iran and co-sponsored by Egypt, but it is vague in formulation and has not gotten beyond the discussion stage. It is not even clear which countries would be included in the geographical term "Middle East."

Despite the impression of these multilateral initiatives, an underlying trend is discernible: Iran has begun to give more attention to its relations with areas in South and East Asia. The Indian Ocean Common Market proposal is one example. Another is Iran's stated intention to have a "blue water" navy which will extend the country's strategic interests out into the Indian Ocean. (Transfer of Iran's naval headquarters from Khorramshahr eastward to Bandar Abbas in 1973 and its intention to build a major naval base at Chah Bahar are signs of this development.) It appears that the Shah's intent in expressing greater interest in South and East Asia is to project an image of greater strategic scope. He may feel that the rest of the world tends to think of Iran as a country on the fringe of the Middle East rather than as a country which has other broad strategic interests as well.

Along with the new Iranian activism in foreign affairs have come stresses in Iran's relations with the U.S. (Tehran's 11924 of November 18, 1975, and 5701 of June 18, 1975). Perhaps the only major point on which the U.S. and Iran now disagree is the desirability of higher oil prices, but there are a number of lesser irritants in our bilateral relationships which reflect the Shah's (and Iran's) increasing desire to shape its relations with the U.S. in its own way: 1) Iran resents our end-use control over military sales; the Shah wants to aid whom he wishes; 2) Mutual expectations about U.S.-Iran Joint Commission activities have not been fulfilled and 3) Recent U.S. policy toward Angola has produced doubts in the Shah's mind that the U.S. will be, or can be, as firm an ally as it has been in the past. If many younger representatives have pressed the U.S. Congress toward a more questioning view of U.S.-Iran ties, the Shah has reciprocated.

SECRET

While Iran is striving to have a big impact on its environment, external inputs to that effort remain important. The country's new economic wealth has led to an influx of foreign technicians and laborers from the U.S., Europe, and East Asia which have strengthened Iran's sense of nationalism and created some human friction. So far this influx has been remarkably isolated from domestic politics, but while most Iranians are proud that their country can employ foreign help, they are increasingly identifying the foreign presence with many of the growing urban ills which beset cities such as Tehran, Isfahan, and Shiraz. Should a crisis of authority develop, the foreign community, of which the U.S. contingent is the largest, would probably become a target for increased xenophobia and attacks, particularly from right wing Moslem groups and emergent leftist factions (Tehran 11744 of November 10, 1975).

III. FUTURE EVOLUTION: RIDING THE TIGER

Change is occurring in Iranian society at all levels, largely due to rapid economic growth in the past two to five years. This development is widespread; not only in Tehran, but important provincial towns such as Tabriz, Isfahan, Shiraz. Other cities such as Ahwaz, Kermanshah and Mashad as well are feeling the press of sociological change. For many years the Shah has managed to generally ride herd on these developments and direct their main lines of advance. As the society has grown increasingly complex as the result of successful industrialization and agricultural exploitation, the Iranian bureaucracy and political mechanisms of government appear increasingly pressed to meet the twin challenge of effective authoritative control and the drive for expanded political participation. Moreover, as has happened historically in many societies, expectations have arisen even faster than prospects for fulfillment, creating a dangerous situation for the guardians of political legitimacy.

Thus far, problems have been manageable in the context of initial rapid growth, but economic indicators suggest that the period of geometric growth is coming to a close. However, the impact and expectations of the recent past continue. This year's budget will be in deficit, and while the regime has opted for continued growth even at the cost of deficit financing, the budgetary pinch is already being felt in both public and private sectors. Projects once approved in a rush are now getting a careful second look and some, perhaps many, are being shelved. Whether this causes serious discontent

or only minor grumbling probably depends on the degree of reduction in growth and how well it is managed.

Two major factors suggest both trouble and opportunity ahead for societal management:

The "Pahlavi team," those intimates around the Shah who have held various key positions over the past 30 years, is growing older. This increases the possibility of slippage in control. Court Minister Alam and Imperial Secretariat Director Nosratollah Moinian, for example, have been reported in ill health at various times in the recent past. The Shah's Chief of Staff, General Ardalan, is old, and reports circulate from time to time that SAVAK Chief Nematollah Nassiri has asked to retire. Prime Minister Hoveyda has already indicated he will give up his post as Secretary General of the RPPI at the October Party Congress. There is a strong chance that age, health and fatigue will probably remove many of these men from their key positions before five years have passed. This offers an opportunity to develop new blood, but also the danger of disorganization. Senior replacements will be relatively inexperienced in the subtleties of exercising imperial power and may not share their predecessors' absolute loyalty to the royal family. A diminution, at least temporary, of administrative and control competence is clearly to be expected.

The second major problem is the lack of an adequate institutional framework for further political development which could absorb some of the pressures likely to build up even under the best of circumstances. The Shah deserves credit for sensing this problem and attempting to build, through the Resurgence Party and decentralized governmental administration, an administrative/political framework to both manage change and increase popular participation.

Unpredictable factors such as the Shah's survivability always exist. The most likely path of development, in the absence of such eccentric factors, depends upon elements more amenable to Iranian influence. Assuming that the present governmental structure continues in being, the government's successful implementation of its economic development proposals will basically depend on its ability to manage its programs well. Hitches and bottlenecks will develop in administrative arrangements. The GOI and private industry will circumvent some of these; others will be the focus for political criticism. Controversy over resources allocation is likely to grow.

As one means of offsetting this negative impact, the GOI is likely to blame foreigners for their failure to correctly impart Western techniques and methods. This is already taking place -- there are charges of communist intrigue with domestic opponents of the regime; assertions that foreigners are polluting Iran's culture; and increasing expressions of belief that Western technology is ineffective and not worth the social price being paid for its presence. To some degree this is natural: foreign companies are showing less willingness to invest indiscriminately in Iran, and normal frictions between relatively new trading partners -- misunderstandings, late payment for goods, inadequate performance of contract -- are already growing. Iran has been shocked by rapidly escalating prices of U.S. goods, particularly military hardware, but also other manufactures. The inevitable criticism of foreigners means the reorientation of Persian values that must take place if Iran is to operate its modern industrial structure will have at least a modest anti-foreign animus.

Projecting several years of relative peace and stability ahead, Iran is likely to muddle through a synthesis between traditional Persian society and the values and attitudes necessary to operate a modern state with at least minimum efficiency. In the process, the Shah will almost certainly try to reduce criticism by limiting or strongly influencing emerging political participation and alienating many younger activists who are now seriously beginning to participate within the system. This could set the stage for a return to the pre-1963 situation when the Shah faced threats from both the left -- ex-Tudeh Party supporters and radical modernizers -- and from the right -- traditional landlords/businessmen and religious conservatives. More likely, however, is that the newly emerging middle class -- businessmen, academics, civil servants, and even many skilled laborers -- will achieve some, perhaps significant, influence and control over policy through control of the governmental bureaucracy, the Party apparatus, and economic allocation machinery. The political interplay will be fairly intense: The traditional love/hate relationship between ruler and ruled will show both cooperative and conflictual aspects, but direct confrontation is not the Iranian political style. For example, the intellectual who expresses deep hostility to the government's violation of western norms of civil rights (Tehran's A-56 of March 15, 1976) will have no hesitation about taking an important advisory or operational job in the government or Party.

Unless the Shah inexplicably loses his ability to wheel and deal within the Iranian system, he will undoubtedly try to

manipulate others as they try to manipulate him. In the process, as his control over an increasingly complex society through older trusted advisers begins to slip, he will be forced to turn to new men who will thus acquire access and influence. Both the Shah and his lieutenants may choose to open up the political process, either formally or informally or they may have it forced upon them while attempting to deal with the emerging groups in Iran's Great Civilization. The Resurgence Party Political Bureau, composed of 30 individuals, including 15 ministers, is already showing signs of developing influence along these lines through an essentially collaborative relationship with the Throne.

Islamic philosophy stresses that events happen "Inshalla" -- if God wills. Iran's history shows the country has been more often victim than predator. This has bred a fatalistic attitude toward accomplishing established goals plus a disinclination to accept responsibility for difficult decisions/actions which has led to paternalistic authoritarianism as a basic leadership style. This ancient pattern of behavior is being challenged at all levels by Iran's move into the industrial future.

No solution will please everyone -- Iran's own internal values are much too rich and divergent for that. Reconciling such differences while developing the minimal administrative and organizational values necessary to make the system work effectively to command the political loyalty of its subjects will not be easy. It will take leadership, time, favorable circumstances and political vision, not only from the Shah, but from Iran's emerging elites who will man the machinery.

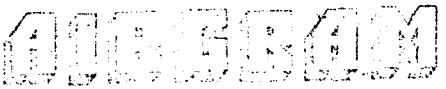
IV. EFFECT ON U.S. INTERESTS

What role will the U.S. play in Iran's future? As a modernized society, we have much to contribute, but Iran is becoming increasingly sensitive to taking advice and may not always want our assistance. For example, U.S. insistence on additional safeguards on nuclear energy plants beyond IAEA standards is already chasing business into French and German hands, besides irritating Iran. What is seen in Iran as unnecessary press criticism of Iran on human rights questions has irritated Iran's government (Tehran 6119 of June 16, 1973). There is considerable feeling in Iran that segments of U.S. public and press opinion have been taken in by radical, foreign-inspired criticisms of the Shah's regime. Greater congressional concern with human rights problems, coupled with increasingly restrictive policies on military sales, have raised doubts about the reliability of the long-term U.S. tie.

None of these questions pose a specific and present threat to the close and comprehensive relations between Iran and the U.S. built up over the past 30 years, but they are problems which need to be treated rather than glossed over. Iran's strategic location astride important air routes, its oil resources, and the Shah's basically moderate and (in U.S. eyes) constructive policies in the region all make Iran important to the U.S. American support against Iran's perceived principal enemy makes the relationship equally vital, if not more so, to Iran's present government and probably to any future government except an extreme radical one such as Libya's present regime (very unlikely, but not impossible). The tone of U.S.-Iran relations may change over time, but except in the remote case of a left-radical takeover, the geopolitical basis for close ties between the two countries will remain.

As the U.S. is Iran's most important ally and supplier, we may expect to receive a substantial amount of blame when things go wrong -- even if we are not at fault. Our relations with Iran will require the utmost diplomatic finesse. The Shah has immense power, a reasonable development plan for his country, and considerable international prestige. He regards the U.S. as his most important supporter, and we should therefore be willing to speak frankly with him about mutual problems. We must, however, maintain and expand our bridges to other groups in Iranian society or we will be at a distinct disadvantage during the jockeying for power that will take place in post-Shah Iran. Our basic goal should be to diffuse problems before they create strains which could threaten an evolution, both within Iran and between our two countries, which is favorable to American strategic, political and economic interests.

HELMS



Tab A 5

HANDLING	CLASSIFICATION	MESSAGE REFERENCE NO.
	CONFIDENTIAL	A-23

TO: DEPARTMENT OF STATE

POL-3
AMB
DCM
ECON-2
ESTS
PM
CR-2
CRU
SHIR
TABR
14rcf

FROM: AMEMBASSY TEHRAN DATE: 22 Feb 1977

11652: GDS
TAGS: PINT, PGOV, IR
SUBJECT: THE RESURGENCE PARTY BEGINS PHASE II
REF: A) 76 Tehran 10887 B) 76 Tehran A-133, July 22
REF: C) 75 Tehran A-239, Nov. 30 D) 76 Tehran A-123, July 8 E) 75 Tehran 10338

ACTION

			EA
EB	EUR	INR	IO
	NEA	PER	PM
REP	SCI	SS	SY
AGR	AID	AIR	ARMY
CIA	COM	DOD	DOT
FRB	HEW	INT	LAB
NAVY	NSA	NSC	OPIC
STR	TAR	TRSY	USIA
XMB			

SUGGESTED DISTRIBUTION:

SUMMARY: With the selection of a new Secretary General, and other principal party officials, the Resurgence Party (RPPI) is preparing to increase its organizational activity and reach out for a greater role in Iranian politics. New Secretary General Jamshid Amouzegar has installed people loyal to himself into key positions, and this new team has a distinct activist and modernist flavor. The major challenge facing new Party leadership is translating Shah's desire for greater participation by all Iranians from word to reality. Success will depend upon the Party's ability to cope with three basic problems: a) provide inducements to participation for interested activists who are somewhat disillusioned because the RPPI is not developing a governing party in traditional terms; b) create middle-level party organizations to channel chapter views to national leadership and vice versa; and c) smoothly develop the Party's ability to work with government echelons at all levels without either becoming part of the GOI's administrative machinery or losing all influence. END SUMMARY

Some two months after the conclusion (Ref A) of the Second Congress of the Resurgence Party of the People of Iran (RPPI), the Party's new organizational structure is beginning to take shape and the RPPI is beginning "Phase

Enclosures:
Party Manifesto
MemCon

CONFIDENTIAL
CLASSIFICATION

DRAFTED BY:	DRAFTING DATE	PHONE NO.	CONTENTS AND CLASSIFICATION APPROVED BY:
POL:JRSampel	2/8		ADCM:GSLambrakis

CLEARANCES:
SRF (draft) POL:JMartin

FORM DS-322 (1-72) 174

II." The selection of former Interior Minister Jamshid Amouzegar as Secretary General of the RPPI is believed by observers to be a clear sign that the Shah expects the party to play an active political and educational role. In the intervening weeks, new personnel have been selected for key first-level jobs and many more new faces are expected. Some changes have been approved in organizational structure which are intended to expand the Party's role in Iranian grass roots politics. This airgram discusses changes in the RPPI in terms of personnel, organization, doctrine, and political dynamics.

New Personnel: New Secretary General Amouzegar is a dynamic, experienced hand in Iranian politics who had been considered one of the leading candidates to replace Prime Minister Hoveyda when the latter retires. His selection as Secretary General makes him for all practical purposes the second man in government behind Hoveyda and, unless he unexpectedly stumbles badly, a good candidate to become his eventual successor. Amouzegar is American-trained and has studied the American party system. As head of the Executive Board of the RPPI for the past year, he was one of the principal architects of the party organizational structure, as well as leader of the Progressive "Wing." He is considered a driving worker by his colleagues, rather than a conciliator. In the weeks since his appointment, he has moved energetically to restaff key Party positions with those both loyal to him and skilled in some phase of Party work.

Chief among his lieutenants is new Deputy Secretary General Dariush Homayoun, formerly editor and publisher of the leading farsi newspaper, Ayandegan. Homayoun is believed to be an excellent choice by many party workers who feel he has the public relations sensitivity and conciliatory persuasiveness which complement Amouzegar's more forceful qualities. Married to Ambassador Ardeshir Zahedi's sister, Homayoun is well-connected in the upper circles of Iranian society, and has been one of the leading activists on the RPPI Political Bureau. He has increasingly shown himself adept and intelligent in handling organizational matters, and is fast becoming RPPI's key organization man since he is directing the restaffing of the Party organs.

The third key positon, chairman of the RPPI Executive Board goes to Dr. Ahmed Qoreishi, also active for the past year in

the Political Bureau. He is a former Dean of National University's Law School, and a recognized Iranian expert on U.S. politics. He spent 13 years in the U.S. studying and teaching, returning to Iran in 1966. The Qoreishi family is one of the old wealthy landowning families of Iran. Qoreishi was a sometime-member of the group which drafted the RPPI manifesto, and has long advocated paying Party organizers for full-time Party work.

Amouzegar's replacement as head of the Progressive "Wing" of the RPPI will be Minister of State and Plan and Budget Director Abdol Majid Majidi, who had been earlier mentioned as a possible candidate for the Secretary Generalship. Majidi is another of the new Party leadership who has traveled widely and taken graduate work in the U.S. (economics, Harvard). He is not expected to make any major innovations in the Progressive Wing, but will continue to keep discussion going and use the Wing as a means of preparing and presenting alternative policies to the Party governing bodies.

Although not technically at the level of the three officials mentioned above, new RPPI Teasurer Ali Farshchi may be the most important new appointment from the standpoint of functioning party administration, and eventually in terms of power as well. Farshchi replaced Ahmad Kashefi as treasurer, and also took over direction of the financial affairs branch and the RPPI Secretariat (there replacing Ziaeddin Shadman, who remains special assistant to the Prime Minister). Farshchi is a long-time confidant of Secretary General Amouzegar who has been his undersecretary in the Ministry of Interior since August 1974, and according to close friends, has been instructed by Amouzegar to "get control" of the party apparatus from those who previously held office. He remains Interior undersecretary (for which he received special Cabinet permission) and will be one of the key links between the Party organization and the executive branch of the GOI. Since no information has been submitted on Farshchi previously, the following biographic data is provided:

Born in 1925 in Tehran, Farshchi received a law degree from Tehran University in 1950 and a B.A. in Business Administration at the University of Pittsburgh in 1961. He served as an assistant prosecutor in the Ministry of Finance; deputy director of the Ministry of Education's Foreign Relations Department; deputy director of procurement for the Ministry of Finance; Director of Finance for Khorasan Province; Chef de Cabinet in the Ministry of Finance; and senior advisor to the Interior Minister before moving to his present job. He

is unmarried and is seldom seen at parties. He has traveled to Europe and the U.S., speaks moderately good English and has been decorated with the Order of the Homayun. Given the close ties between Farsanchi and Amouzegar, observers here believe his appointment is a sign that Amouzegar plans to take a very active interest in Party evolution, despite his other commitments.

On December 30, 1976, Amouzegar named Dr. Aliasgher Nazeri to be Deputy Secretary General and Head of the Organization branch. Nazeri has been active in Tehran party affairs and is a specialist in organization and management. He has served as a staff expert in organization and procedure on the High Council for Administration and has been head of the social organization section of the Civil Service and Administrative Affairs Organization.

Born in 1939, he graduated from, and later lectured at, U.S. universities in political science and public administration. He has held positions in the agriculture ministry and the state transportation organization, as well as being a counselor in the Prime Minister's office. Little is known about his personal life, but he is expected to take third place behind Dariush Homayoun in the Party's formal hierarchy, but behind the others mentioned above in actual power and influence.

At the beginning of February, Party Chief Amouzegar appointed five new deputies. These new officials include: Sadeq Kazemi, a Majlis deputy and former Iran Air director of personnel who will be Assistant Secretary General in charge of Social Affairs; Daoud Qajar Mozaffari, the new Assistant Secretary General in charge of the Supervision and Planning Branch; Khosrow Karim Panahi, designated Assistant Secretary General for Training and Research; Manouchehr Pezeshki, who will be Assistant Secretary General in charge of the Party's Inspectorate; and Zia Modarresi, named Secretary of Party Affairs in the Capital.

PARTY ORGANIZATION: In a private meeting with the Acting DCM and the reporting officer, Party Deputy Secretary General Homayoun indicated there would be wholesale personnel changes over the next few months. Virtually all of the Party provincial secretaries will be replaced and most of the Party's central headquarters officers. Primary reason for this is that the Executive Board has now approved a standing Party organization of paid officers rather than the all-volunteer

policy that had been in effect. Four Party professional secretaries have already resigned and the rest will be replaced within a few months. This necessitates replacing many officers who will not be able, or want, to give up their full-time occupations. Homayoun admitted he had been one of the principal advocates of an all-volunteer Party organization but that a year's experience and "perhaps my new position" had changed his mind. Homayoun projects about 100 paid personnel at Party headquarters in Tehran, plus another 2,600 paid locals in the provinces. This would be supplemented by about 10,000 volunteers throughout the country. Homayoun noted he was having difficulty finding qualified people to take the jobs, but the process was just beginning.

In December, the RPPI executive board approved a major change in grass roots Party organization. Henceforth, Party chapters (Kanoons) will have between 50 and 100 people rather than 100 to 200 to permit greater discussion at party meetings. Present Party figures give the RPPI approximately 5.4 million enrolled members in 51 thousand chapters, 3,868 of which are in Tehran. Provincial organizations are still lagging and the Kanoons have been grouped into 450 districts for the time being, roughly along provincial lines. Homayoun and several of Amouzegar's junior associates admit that most Party chapters exist in name only. Neither direction from the top nor organization from the bottom has proved sufficient to bring life to basic Party organization. This is an extremely sensitive point with Party officials and the cause of much soul-searching. Part of the difficulty is that the Party's role in the present Iranian political structure is poorly understood. Homayoun has said in public and privately that the Party is not a governing party which is part of the administration. Many Party members have become disillusioned because explanation of this point in the many recent meetings has seemed to place limits on their personal expectations. Party leaders want the Party's role to evolve as a watchdog on government, a source of ideas for policy makers, and a tool for educating the masses, but many, particularly activists, saw the RPPI as a route to govermental power.

Homayoun and others, particularly more rank and file Party members, are frankly puzzled by what sort of inducements the Party can offer to politically-minded individuals to secure their adherance and participation. One such inducement will be tighter administration control over candidates for public office. Homayoun has said in press interviews that Party candidates would be screened with respect to their Party activities as well as interest in public affairs. Other ideas

which may be tried will include putting Party groups and units into contact with policy makers and providing for a supervisory function for local Party organizations with respect to village and rural councils. The proposed division between Party and government is likely to break down or change as the Party experiments with various types of activity. This in turn could create tensions between Party and government which could further handicap political integration.

Central Headquarters: The RPPI Executive Board has approved changes in basic Party committees at central headquarters. The Public Affairs Division, headed by Assistant Secretary General Sadiq Kazemi, at least on an interim basis, will continue to be in charge of Party publications, but greater emphasis will be placed on intra-Party exchanges of ideas.

The Social Affairs Branch will shift its emphasis from concern with Party policy to providing services to various Party groups--students, union, youth. It probably will be significantly involved in exchange of social ideas between central headquarters and the provinces. It will also, at least initially, keep in touch with administrative departments at all levels to help eliminate bottle necks.

The Administrative Branch will remain in charge of administrative meetings, and chapter membership. It will also supervise elections under the direct control of Party Treasurer and Secretariat Head Farshchi.

The Foreign Relations Branch will focus upon organizational work with Iranians abroad and will handle ties with foreign political parties.

A new division, Plans and Research, has been created to take over all research functions of the other branches and specifically those assigned to the educational section. This group will prepare teaching materials to be used in Party education programs.

The present inspectorate will lose many of the functions it was supposed to exercise over governmental subunits and will concentrate on supervising Party administration. In his conversation with Embassy officers, Homayoun privately admitted that the Party's massive attempt to monitor all government performances had been a failure. Future efforts to play the Party's watchdog role will be conducted primarily by

local organs with respect to the governmental units they parallel. For example, a Party local council would follow the evolution of city or rural district administrations; the Party personnel committees would perform similar functions with respect to the Provincial Governor General and his subordinates. Most Party leaders agree with Homayoun's analysis of prior failure, and several go even further, suggesting it will be difficult for local Party groups to perform a serious watchdog function until they are much better organized.

The Education Branch will be revitalized and stripped of its research functions (see above) and focus on providing both theoretical lectures and exposure to practical experience at Party seminars. Over the past months, the RPPI has held seminars for all provincial administrators, incoming local council officers (elected in October), professional Party leaders in 16 provinces, and a number of specialized seminars for university professors, labor officials, etc. Amouzegar and Homayoun have used these to impress their conception of the Party upon Party officials. Auxiliary groups have been commissioned by the Executive Board to study educational programs and subjects to be brought up at educational sessions.

Other Party Activities: Despite the publicity attending Majidi's election to replace Amouzegar as coordinator of the progressive wing, talk of the wings virtually disappeared from public and private discussions until recently when an announcement was made that wing discussions will be held in public. It is clear that for the next six months, focus will be on central Party activities and efforts to revitalize local Party administration. Homayoun believes it will take at least two years to have a fully functioning effective Party apparatus in place. Other estimates vary from one year to five, depending upon conceptions of "effective."

Resurgence Party Congress: RPPI's Second Congress was held in late October and was considered successful because it produced mass participation, elected new Party leadership (see ref A), and legitimized Party organization. Delegates from all provinces were rallied to greater activity by the usual paraphernalia of Party congresses-speeches, committee meetings, etc. The primary rationale for the congress was to elect a new secretary general (which it did) and to approve the new ideological manifesto which had been under development for over a year. It confirmed as permanent the interim Executive Board and Political Bureau.

Party Doctrine: Despite much fanfare and considerable effort in preparation, the philosophy of the Iranian revolution has become the major non-event of the past six months. (See (a) attachment No. 1 for the Embassy's informal translation of the Party manifesto and (b) Qoreishi-Mills-Stempel MemCon of May 10, 1976 which gives drafting committee.) The manifesto itself discusses the origin of the White Revolution, the central set of specific proposals which the Party supports. The logistics of the Iranian's drive to modernize itself under the monarchy, the need to revitalize mass units, and the intellectual values of the revolution are treated at length. The basic values as listed in the manifesto are 1) elimination of class mentality, in this instance the conflict between peasants and leaders; 2) nationalization of vital resources such as water, forests, and oil; 3) political education to promote faith in the basic social, political and cultural values and stimulate political consciousness to defend the Revolution from plots and propaganda both from within and without; and 4) evolution of democratic participation which seeks true individual freedom within democratic discipline and distinguishes between liberty and unbridled disregard for the law and public good.

This philosophy will provide the fundamental basis for the Party's educational political program--which the Executive Board has decreed will called "national" education, not "political" education--over the next few years. As published, the manifesto offers few if any new insights and leaves open to both the regime and the Party the possibility of attempting various pragmatic approaches to specific issues. This approach combined with the inherent cynicism of Iranians toward national political pronouncements possibly explains why there has been no overwhelming public or academic interest in the manifesto.

The Shah himself was interested in this manifesto from the very beginning. He met with the drafting committee at the beginning of its work and near the end to review its progress. One member of the committee told us in confidence that the Shah stressed the need to accommodate conflict within the Party system. The Shah even used the term "a natural dialectic" between the opposing forces to describe the evolution of Iran during his reign. This threw the committee into a tizzy because of its hint of Marxian analysis. The source thought this was one reason why Iranian publishers and book sellers reported a distinct upswing of the works of German dialectic philosopher, Frederick Hegel, over the past year.

This is about as close as Iranians in groups are allowed to get to Karl Marx without running a foul of Iran's anti-communism laws.

POLITICAL DYNAMICS: The major question facing the RPPI remains as reported in ref B: will the Shah permit the Party to play an effective enough role so that Iranians will perceive it as a legitimate and effective channel for political participation? Two sources who have engaged in various discussions with the Shah on Party matters both say the Shah is prepared for the Party to play an effective role and is willing to accept the risk this would entail as long as he perceives Party leaders are a) loyal and b) competent. The Shah told a group of senior academics that he has no desire to turn the RPPI and the country over to a group of second-rate politicians who would be incapable of governing. The Shah feels substantial political education and several years practice will be necessary before people are sufficiently knowledgeable to make a fully democratic system work. In the meantime, he appears to have accepted the views of his American-trained Party leaders that a gradual, incremental approach to political development offers the best hope of success.

Such a gradualistic approach offers both benefits and problems. As Homayoun has noted, one major problem will be inducing the always-skeptical Iranian citizen to participate in a party which, at least initially, has no governmental role. Other Party activists urge the Party to begin its watchdog and supervisory function in the local levels where people will be able to deal more actively earlier with issues that interest them directly. This appears to be the approach the new Party leadership is taking. If the government and the Party can avoid stimulating too high-flown expectations, yet still generate participation, this would permit an educational process to go on for several years before the government has to confront major differences between itself and the RPPI at a national level--perhaps over such questions as the relative allocation of development funds between provinces, or the relative division between defense and civilian development spending.

Now and for the foreseeable future, government-Party coordination is being carried out through the RPPI Political Bureau, which have both government and Party representation (see ref B and E). New Executive Board Chairman Qoreishi

is expected to play a major role in this arena by virtue of his interest in the subject. As and if Party groups develop strength at provincial and local levels, coordination will be carried on between Party and government officials on an ad hoc basis. This is one of the major uncertainties facing the new RPPI leadership then as its organizational activities get underway. Their leaders must find ways to quickly build up middle-level structures to enable them to understand, control, and guide Party activities. Central Party organs are strong, and some progress has been made at the chapter level, but the connecting links have thus far been almost completely absent.

A separate but related matter is the increasing governmental emphasis put on decentralization. Party concerns over resource allocation and administration in local areas will be of little importance as long as most decisions are made in Tehran. Over the past several weeks several government ministers, including Interior Minister Moini have said their immediate plans call for increasing decentralization of line responsiblity to the provinces. Specific measures include transfer of certain budgetary responsibilities to to provincial administrations; reassignment of certain ministry offices from Tehran to provincial governmental offices; and granting of greater latitude in hiring and firing of the professional officials. The combination of new hands at the Party helm and greater governmental efforts toward decentralization suggest that the coming six months to a year will continue to feature quiet organizational and educational work. Experiments will undoubtedly be tried in one or several provinces in the areas of Party organization, governmental decentralization, and party-government relations. The number and successes of such efforts will provide some fundamental indicators of the long-term prospects of the RPPI as an institutional feature of the Iranian political scene.

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TAGS: PINT, PGOV, IR

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10 JULY 1975

The Iranian One-Party State

REF (A) A-19 of January 29, 1973; (B) Tehran 2069; (C) A-42 of March 5, 1975; (D) Escudero-Sadr MEMCON of March 11, 1975; (E) A-71 of April 21, 1975; (F) Tehran 4150; (G) Tehran 4312

SUMMARY: This report offers analysis of the motivations behind and consequences of the Shah's March 2 announcement of the transformation of Iran into a one-party state through creation of the Resurgence Party of the People of Iran (RPPI). We believe the action stemmed largely from the Shah's desire for greater controls and reduced internal criticism, even though one might consider such a step unnecessary in a period of burgeoning Iranian self-confidence and nationalism. He also wanted to include in the political process some capable Iranians who felt themselves excluded due to their membership in opposition parties. In addition, the move is in keeping with the Shah's oft-stated characterization of Western-style democracy as permissive, inefficient and unsuited to Iranian cultural and historical experience. There are many indications that the creation of a single party was also a step by the Shah to reduce the growing power of his Prime Minister and, regardless of intentions, this appears to have been one of the results. The RPPI stimulated interest and participation in the June 20 general elections among those who are politically aware, but for the moment the Shah's abrupt volte-face is likely to make little or no difference to the man in the street.

Enclosures:
1. Constitution of Rastakhiz Party
2. Executive Board of the RPPI

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It seems contrary to the trend of promoting institutional development through evolution of somewhat independent institutions as it signals the Shah's return to active intervention at lower levels. This inhibits the process by which political institutions can learn to function without his guidance. END SUMMARY.

Institutional/Security Viewpoint:

We are inclined to accept at face value reported Imperial and GOI statements that the multi-party system, as it functioned in Iran, failed to enlist the services of many capable individuals in Iranian political life. The one-party system will eliminate this problem, although it has not yet shown much capacity to motivate public enthusiasm for its activities. In addition, the Shah's distaste for even the limited criticism permitted under the multi-party system, was a major factor in his decision to do away with Iran's tame opposition. Although he had publicly said he preferred a multi-party arrangement, the Shah had been unable to develop an opposition party which was either convincing or acceptable. His experience with the Mardom Party's last two secretaries-general, Ali Haqi Kami and the late Nasser Ameri, both of whom were summarily dismissed when their criticism irritated the Shah or Prime Minister Hoveyda, evidently helped to convince him that a tolerable opposition party could not function in Iran's controlled political environment.

Another factor in the Shah's decision may have been his well known view that Western democracy is permissive, inefficient and does not work too well even in those countries where it was invented. He sees democracy as a concept largely alien to the cultural and political experience of Iran which has only attained greatness under highly centralized authoritarian regimes. In this context the Resurgence Party of the People of Iran (RPPI) can be seen as another step in a trend toward increased control of this society. Additional indications of a harsher attitude toward those who operate outside of the Iranian establishment include last year's dismissal of journalists with questionable backgrounds, the forcible closure of various small newspapers and magazines, and the "get tough" approach toward the prolonged student unrest which lasted from the beginning of December 1974 until the end of March 1975. In fact, the student problem and the 1973 anti-Shah plot of journalists and intellectuals may have been catalysts for the Shah's decision, as there are plans for the creation of party committees within each university faculty. For

whatever reason the Shah has made it plain that he intends to expand his controls to all areas of Iranian life, denying to intellectuals and others their much-used tactic of what one observer has termed "ostentatious non-commitment." The RPPI provides a mechanism for channeling political participation as well as a legal basis for the identification of unwanted oppositionists. It emphasizes the Shah's stated determination that those who refuse to accept Iran as he defines it must choose either prison, exile or obscurity.

The new party has subsumed the existing four parties into it. This, coupled with frequent newspaper criticism of the old parties for me-tooism and squabbling over artificial issues, and of the Iran Novin in particular for failing to rally the people, may alienate some party stalwarts. However, the RPPI will offer positions to many national figures from other parties. Much of its organization is likely to be based on that of the Iran Novin so that there should be few former apparatchiks who are not given a role to play. Both as individuals and as members of various organizations, Iranians are flocking to join the RPPI and to declare their faith in Iran's new political trinity of Monarchy, Constitution and the Shah-People Revolution. Still, we doubt that the Shah believes their support is totally sincere or that he expects the RPPI to be any more effective than its predecessors at inspiring the people toward political participation. Following his traditional Persian approach, he seems prepared to insist on form without much regard for substance.

Press reports to the contrary, the Shah's announcement was received by most of the Embassy's contacts with a wave of cynicism and confusion which has not yet fully subsided. The arbitrary nature of the announcement tended to reinforce the prevailing Iranian mood of skepticism and cynicism about virtually everything connected with politics. To ordinary Iranians we have talked with---shopkeepers, small merchants, and others---(as distinct from party activists whose personal interests were involved), the previous political parties were ineffective as a means of political expression and so far they seem to anticipate a similar result from the new party.

Internationally, especially among those in the United States and Europe who tended to be critical of the Shah's regime, the reaction has been more negative. Although the abolition of Iran's multi-party system has unnecessarily strengthened his foreign critics, we doubt that the Shah cares. He seems to see his own position and that of his nation made so strong by virtue of oil and by his own successful record of leadership that criticism of his internal policies will either be muffled or of no consequence. In this he may be right, although international reaction may increase the difficulties of inducing (continued page 4)

skilled Iranian expatriates to return to Iran to help alleviate the nation's shortage of trained manpower.

Loss For Hoveyda:

It is possible to interpret the creation of the RPPI as a move by the Shah to curb the growing power of Prime Minister Hoveyda. The background for this consideration and its effect on the Shah's role in daily politics were discussed in A-71 of April 11 and A-75 of April 16. More and more it appears that a diminution of Hoveyda's position has been an important result of the formation of the RPPI. If, as seems likely, this slippage was intended by the Shah, it would not be the first time that he has moved against a minister who appeared to be outstripping the limits set for him.

Historical Parallels:

In 1962 Ali Amini, the last Iranian Prime Minister to enjoy a degree of power independent of the Shah, supported a compromise between the Throne and the National Front which would guarantee them more than one-fifth of the seats in the Majles and at least one cabinet post. Despite its disunity the Front believed that it need only wait to have all of Iran fall into its lap, and the compromise was rejected. The Shah seized upon this to dismiss his Prime Minister, who was known to favor the reduction of the role of the Monarch in Iranian politics, and a series of more pliable successors followed.

In 1962-1963 the Shah entrusted his land reform program, which later became the core of the Shah-People Revolution, to the ambitious and capable Hassan Arsanjani. Through skillful use of widely broadcast speeches and frequent rural trips, Arsanjani identified himself with land reform in the minds of the peasantry. He parlayed his swelling popularity into political capital through the formation of the Peasants' Party. At that point the Shah called a halt to Arsanjani's ambitions. Ever a shrewd judge of character, the Shah shipped Arsanjani off to Rome as ambassador with an unlimited expense account. Although he vowed he would return, Arsanjani soon succumbed to the blandishments of Roman living and ceased to be a factor in Iranian politics.

It is by no means certain that the Shah considered Hoveyda a threat. He probably regards Hoveyda as a more useful tool than he did Amini or Arsanjani, which accounts for

his record ten and a half years as Prime Minister. However, both the Embassy and SRF have reported evidence that the strength and corruption of Hoveyda's Iran Novin Party were major factors convincing the Shah that the multi-party system was not functioning as he wished and must be replaced. As the RPPI took shape following its inaugural Congress April 30 to May 2, convincing evidence accumulated which pointed to a Hoveyda loss.

In his March 2 speech announcing the new party system, the Shah confirmed Hoveyda as Party Secretary General for two years (later increased to four), but the Shah made it clear that Hoveyda would not have the power to appoint his principal Party subordinates. (Hoveyda has stated that he hopes not to remain Secretary-General for the full term. It is rumored that he will retain the Prime Ministership but be replaced as Secretary-General by Interior Minister Amouzegar soon after the elections.)

The RPPI Congress:

The shifting power balance within Iranian party politics was perhaps signalled by the election of Nasrollah Entezam, a long-time associate of Hoveyda's powerful rival, Court Minister Assadollah Alam, as Congress Chairman. Further evidence of Hoveyda's decline is offered by the events leading to the adoption of the Party's Constitution. Working through the drafting groups, Hoveyda obtained a draft constitution which, from the point of view of control of the Party, contrived to have most of the power assigned to the Secretary-General (himself) and to a Committee of Secretaries which he would appoint. The Secretary-General was given broad powers to delimit the authority of other Party units, to control Party finances and appoint and dismiss various Party officials. Moreover, the draft made it plain that his powers were not limited to these areas but included whatever authority was necessary to administer Party affairs. The Committee of Secretaries, obviously intended to be a creature of the Secretary-General, was to have virtually all the remaining policy-making, implementary and regulatory powers within the Party hierarchy, including control of lower-level Committees of Secretaries (headed by an Organization Secretary also appointed by the Secretary-General) for each of the rural RPPI area units.

During the course of the Party Congress, which was characterized by some of the frankest criticism of government performance and policies heard in Iran in recent years,

Interior Minister Jamshid Amouzegar proposed an alternate draft which would have reduced the power of the Secretary-General, with a great deal of power remaining within various Party bureaus. In the end the Amouzegar version was adopted with few important changes (see Enclosure 1 for text of final Party Constitution.) It gives power to both the Secretary-General and Party bureaus, particularly the Executive Board, and reflects the system of checks and balances based on personal rivalries which permeates the Iranian political scene.

In the final version adopted by the Congress, the proposed system of Committees of Secretaries was abolished and the Secretary-General, still the Party's highest executive official, retains the power to appoint up to three Deputy Secretaries-General and various other RPPI executive officers. He will supervise allocation and expenditures of Party funds, although the Executive Board controls the auditing function. The Secretary-General will appoint provincial Secretaries-General and, through them, will exercise supervision over the Party's entire rural network.

On the other hand, the Executive Board has principal responsibility for implementation of Party resolutions; review and approval of nominees for election to Parliament and to the rural Party councils; approval of by-laws, the agenda of the Party Congress, and the Party budget as proposed by the Secretary-General; and establishment of a supervisory commission whose authority is limited to reporting to the Executive Board on any Party matter.

As Prime Minister, Hoveyda is also Chairman of the RPPI Political Bureau which must coordinate Party and governmental activities and review "national questions" referred to it by the Executive Board or Hoveyda. However, the Executive Board elects a majority of the Political Bureau.

Obviously, in order to assure himself of control of the Party, Hoveyda would have to control the Executive Board as well as the Secretary-Generalship. But Jamshid Amouzegar, one of Hoveyda's rivals, was elected Executive Board Chairman and Farhang Mehr, Chancellor of Pahlavi University and generally regarded as a protege of Court Minister Alam, was named to one of the Deputy Chairman posts. The other Deputy Chairman is Mrs. Mahnaz Afkhami, a leading feminist and a stalking horse for Princess Ashraf. Interestingly, the two Board Secretaries are Mehdi Ghassemi, former member of the Central Committee of the outlawed

Tudeh (Communist) Party and Dr. Hossein Fajadod who, according to SRF, has close contacts with the Soviets.

Dr. Ahmad Ghoreshi, a member of the Executive Board, has informed us that personality conflicts did not enter into the creation of the RPPI Constitution; rather, the delegates were motivated by a desire to produce the most democratic and workable document possible to ensure that the new Party has a sound popular base. While this is possible, it does not square with our understanding of Iranian politics as a highly personalized competitive affair.

Despite his losses, it is too soon to write off Hoveyda, who has several advantages denied his rivals. The Iran Novin Party joined the RPPI en masse, giving the new organization instant expertise based on a host of activists loyal to Hoveyda. In addition, former Iran Novin members in the countryside were in crucial positions for the administrative control of the national elections. This power base transfer has not gone unnoticed, however, and the RPPI received instructions, apparently from the Shah, to severely limit the participation of former Iran Novin stalwarts in the Party Congress.

In any discussion of Hoveyda's assets, the name Parviz Sabeti keeps coming up. Sabeti has been close to Hoveyda all his adult life and is presently Chief of Department Three in SAVAK, in charge of internal security. Like Hoveyda, Sabeti and his family would support a reduction of Imperial power (see A-75 of April 16) and it was Sabeti's office which, in the past, issued final clearances and recommendations on all candidates for political office, enabling Hoveyda to obtain clearance for several individuals of questionable background whom he has installed in his Cabinet. However, it appears that the Shah entrusted his personal intelligence chief, Lt. Gen. Hossein Fardoust, with the clearance task for candidates in the Parliamentary elections, a move perhaps intended to undercut the Prime Minister.

It seems that Hoveyda attempted where possible to mold the new political organization to suit himself but enjoyed only limited success. Hoveyda retains his considerable power base within the Prime Ministry and his status could rise or fall in the coming months, but at least for the time being, regardless of whether or not it was so intended by the Shah, Hoveyda's position vis-a-vis his rivals seems to have worsened.

Elections:

General elections took place June 20, some two months earlier than normal. There were multiple candidates for all seats in Parliament, all of them pre-approved by provincial RPPI Councils, the Executive Board and the security authorities (Tehran 5029). Perhaps heartened by the Shah's personal identification with the new party, the initial response to the elections was far larger than usual and over 10,000 people declared themselves candidates for the 268 Majles and 30 Senate seats at issue. Some 841 of those were approved and permitted to campaign but exactly half of the incumbent Majles membership and 11 out of 30 Senators were not accepted as candidates.

Though lackluster and bereft of issues by the regime's instruction that oil, foreign policy and the Shah-People Revolution were not subjects for debate, the campaign was more active than anything seen in Iran in recent years. It featured televised statements by candidates (usually limited to career summations and pledges of good intentions), posters, car-mounted radios and, in Tehran, the creation of voting blocs based on the Tehran Bus Company or membership in labor unions and guilds.

Registration was as nearly mandatory as the government could make it. Prime Minister Hoveyda stated several times that failure to go to the polls would be considered a disservice to the new party and, more importantly, those who did pick up their electoral cards received a stamp in their all-important identity card. Some whose cards lacked the stamp were refused such essential government services as exit visas. In the end, some 6.8 million Iranians registered to vote.

However, as the balloting was secret there was no way the GOI could ensure that all registrants voted and the final count, though probably larger than any other voter turnout in Iranian history, was well below half of those registered. For the 244 Majles contests (out of 268) for which we have data, 201 or 82% of the 1975 winners received fewer votes than did the victors in the 1971 national elections. In many cases the totals were ¼ to 1/5 of the vote cast in 1971. In Tehran the lowest winning vote for any of the 27 deputies elected in 1971 was 517,218. The biggest Tehran winner in 1975 could garner only 238,294 votes and the lowest winning vote was 40,835 or somewhat less than 1/12 of the comparable 1971 figure.

Yet the government announced that 5.1 million people voted for the Mayjles candidates as compared to 4.9 million in the 1971 elections, and in fact, we believe that more people voted in 1975 than in 1971 although the 5.1 million total is obviously incorrect. In the carefully rigged elections beginning in the mid-sixties, virtually no one voted and the electoral officials simply announced arbitrary totals grossly inflated to suit the prestige of the pre-selected winner. In the 1975 elections, which were perhaps the freest in modern Iranian history, accurate totals were published for individual contests and they fall far short of the Alice in Wonderland figures dreamed up by election officials for past contests.

Several disgruntled losers have complained to us about unfair tactics including the completion by agents for the winning candidates of ballots for illiterate voters, interference by these same agents with voters at the polling places and ballot box stuffing. It is clear that the elections were not totally free; obviously a certain subjective winnowing took place when the candidates were selected and a Ministry of Interior official has informed us that some 10% of the elections were rigged through the influence of Court Minister Alam. But reports of prosecutions and invalidations of ballots following improper practices by candidates and electoral officials testify to the government's desire to run a clean show. More significantly, the election results suggest a minimum of pressure from Tehran. Iraj Eqbal, long time Deputy from Gonabad and sister of NIOC Managing Director and former Prime Minister Manouchehr Eqbal, got only 40 votes and other prominent fixtures on the parliamentary scene such as Mohammad Ali Bushti, Fazlollah Sadr and Ahmad Rafii also lost. These were people of some standing in Tehran but with less affinity for their constituencies and it seems unlikely that they would have lost had the capital fixed the vote.

Based on information presently available, it appears only 40 of the 268 Mayjles incumbents and 11 of the 30 elective senators have returned to office. In some areas traditionalist forces reasserted themselves and in others special interest groups such as labor unions put their candidates in office but neither of these patterns hold nationwide. The great majority of the winners are now known only to the Embassy and it will be some time

before patterns, if there are any, can be determined.

In any event, changes in the electoral process in no way alter the fact that the Parliament, however constituted, is a rubber stamp body with no influence in any significant area of policy formulation or implementation. The Iranians we talk to realize this and it reinforces the cynicism with which they view politics in general, regardless of whether or not they perceive the recent elections as fair.

The Future:

It is possible that the RPPI will turn out to be an inefficient political catch-all including every aspect of national life and thereby be meaningless as a political organ. However, we believe the Shah intends that the new party should serve to further extend his political control throughout Iranian society. In either case it is important for the Shah that the new organization not be under the personal control of Hoveyda or any other individual. Indeed, it is highly unlikely that a single man could gain control of the RPPI because the Shah, in a typically Persian maneuver, has created an organization with built-in conflicts: its Constitution militates against one-man control and this tendency is reinforced by the inclusion of such high-ranking personal rivals as Hoveyda, Alam, Amouzegar, Minister of Economy and Finance Ansary and Tehran University Chancellor Nahavandi. This divided and competitive leadership may diminish the efficiency of the RPPI by fostering internal factionalism. Indeed, the Shah may have foreseen this when he forecast the formation of party "wings" or factions in his March 2 announcement. Given the nature of Iranian politics it appears unlikely that any wings which may form within the Party will be based on ideological differences. Instead, they will probably be made up of the personal followers of powerful contenders for position within the RPPI itself, just as contending parties within Iran's former multi-party system were composed of the personal supporters of their leaders. This divided situation should make it necessary to refer most disputes to the Shah for resolution, ensuring imperial direction of the Party leadership.

Significance:

The most significant aspect of the establishment of the RPPI may be that it seems to signal the reversal of the Shah's policy of several years standing of becoming less active in the day-to-day activities of Iranian politics. This policy and the rapid pace of Iran's development had aided the evolution of several separate power centers all of which had an interest in maintaining national stability

(see Ref E). The Iran Novin Party was one of these but now has been replaced by a larger, less homogeneous organization which, at least initially, will remain under the Shah's control and be less independent. This seems likely to reduce the Party's capacity to contribute to stability after the Shah leaves the scene.

Initially the creation of a single political party will have little effect on the average Iranian. The former opposition parties were so ineffective that Iran was already a one-party state in all but name. The Shah made, and will continue to make, all important policy decisions. In many ways he has simply regularized the existing situation. In doing so, however, he has stripped away part of the facade of participation in power which is so important to Iran and Iranians. It is difficult to see what advantages he hopes to gain by doing so apart from increasing his own control over the political forces at work in the society.

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FROM : Amembassy TEHRAN

E.O. 11652: GDS

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April 21, 1975

The Recent Evolution of Power in Iran

S (A) A-99 of June 30, 1974; (B) A-10 of June 28, 1975; (C) A-20 of January 21, 1975

SUMMARY: The Iranian structure of power has the development over the last decade of a [illegible] assured, firm and autocratic monarch. During several years as the nation has become ever, limited centers of power have be which the Shah has not chosen or [illegible] exercise continuing day-to-day co[illegible] big business and industry. [illegible] cal party system, and one [illegible] the military, are examined [illegible] continue to develop in [illegible] could make a significant [illegible] and continuity of the [illegible] secure by whatever mea[illegible] intervened to reduce [illegible] the political party system through the amalgamation of all parties into a single movement with a directed leadership responsible to [illegible]. The paper argues that [illegible] to maintain detailed control over the new power [illegible] reduce its capacity to respond to the kinds of challenges and stresses likely to accompany the succession. END SUMMARY.

I. The Shah and the Exercise of Power

During the past decade the Shah has [illegible] into a larger-than-life figure, a charismatic [illegible] ruler who charts his nation's economic and [illegible] all levels of activity to ensure that [illegible]

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that course. As his experience and self assurance have grown, and as respected elder advisors such as General Yazdanpanah have gradually left the scene, the Shah has turned less frequently to others for advice on policy matters. Some observers therefore have assumed that he is isolated from reality; this is not the case. He has carefully maintained numerous channels of direct access to himself from a wide range of official and private individuals, and through this traditional, personalized network he obtains the information on which to base his decisions. It is at the policy level that the Shah appears to make decisions in isolation, in part because he feels there is no one in the inner circle with his own breadth or depth of knowledge on whom he can consistently rely, but also because it is doubtful that any remain, with the exception of the Empress, Princess Ashraf and Court Minister Alam, who are willing to propose a course of action which the Shah may not like or suggest to him that any of his decisions may be ill-advised. Now, largely as a result of the success of the Shah's policies, Iran has developed to a stage of complexity where no single individual, however gifted, can make all the day-to-day decisions required to keep the society moving. As a matter of necessity various limited centers of power or vested interest have evolved which, within their limited areas of operation and in the context of overall policy guidelines previously laid down by the Shah, exercise day-to-day control of their own affairs. Through their often unfettered ability to implement the Shah's broad domestic policies, these groups have acquired a freedom of action which, though limited, amounts to the acquisition of power through implementation. These changes in the internal Iranian power structure are the result of national social evolution; the Shah did not consciously delegate implementing authority to these power centers but neither, until recently, has he opposed their development. In fact, for a time it appeared that he approved, as the evolution of centers capable of independent action seems to fit with what we believe was his intention to create a more remote, conceptualizing, policy-making role for future monarchs, allowing for livelier competition at lower levels. We do not believe that these power centers represent a challenge to the present Shah, although in the case of the Iran Novin Party he may have perceived a potential future threat. In any case, he can intervene among them on specific matters as he chooses, even though he cannot exercise total control over all of them all of the time. (Even before the development of independent power centers, Iran's traditionally unresponsive and inefficient bureaucracy constituted a

practical restraint on the Shah's capacity to exercise detailed control). This report briefly examines one actual power center, big business and industry, one former power center, the political party system, and one potentially independent power center, the military.

II. Power Centers:

a. Big Business and Industry:

Ever since the beginning of the Shah's drive to industrialize Iran in the 1960s, big business and industry have benefitted in a host of ways from government policy designed to encourage the accumulation of private investment capital. In a restrictive political climate many of Iran's brightest and most energetic people have gravitated to the economic sphere where individual initiative, within the loose parameters of national development, was often highly rewarded.

This trend has reached the stage where big business and industry have become so large and complex that day-to-day operations cannot be closely monitored by the government and the owners and managers have begun to wield considerable power in their own right.

An example of the evolution of the independence of this sector was the Lajevardi-DuPont deal for a $500 million fiber plant in Isfahan. The deal was negotiated and signed without reference to or influence from the Court, which would have been impossible only a few years ago. Businessmen have commented seriously to Embassy officers that it is no longer necessary for them to "own" a minister or senator to get things done--now their names and positions (and wealth) carry the power and prestige to make things happen. In addition big business and industry once supplied large amounts of money to the Iran Novin Party and will probably continue such practices with its successor the Iran Resurgence Party, creating linkages and enlarging the parameters of independent action for both.

The most important aspects of Iran's recent development have been economic, with the result that big business and industry have been among the chief beneficiaries of the Shah's policies. For this reason they have been a major pillar of the present regime and, though they usually have tended to avoid politics in the formal sense, they could be expected to give valuable financial support

to any future regime which offered stability and similar policies.

b. The Party System:

The Iran Novin Party was not a mass political party in the Western sense nor was it likely to become one. However, it was a mass organization of a kind and size which, with the exception of the outlawed Tudeh Party, had never before existed in Iran. Its primary attraction was as a route to the top for its members, but more importantly, it also offered a vehicle for the expansion of the influence and power of its leaders, particularly Prime Minister Hoveyda. With its nationwide organization tied into local power structures, its contacts with big business, its close relationship with the security organization*, its patronage power and its success in filling virtually all significant government positions with Party members, Iran Novin wielded genuine power. It had no influence over foreign policy but during its decade in power and in its role as "guardian" of the Shah-People Revolution it defined the Revolution through implementation of its broad list of goals.

Most of the people in high places within the Party structure owed their positions to Hoveyda who, during his more than ten years as Prime Minister, built a formidable power base for himself within the Party. He institutionalized his power base when he became Iran Novin Secretary-General at the Party's January 1975 Congress. He demonstrated it through frequent trips to the provinces where he encouraged ongoing development projects, authorized new ones and received petitions from the people in the manner of the Shahs of old. Hoveyda is known to believe that an absolute monarchy in Iran is an anachronism, but he is also a realist who has founded a successful political career on subservience and the careful restriction of his power to a level not displeasing to the Shah.

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*This is evidenced by Hoveyda's close relationship with powerful SAVAK Department Chief Parviz Saboti and by the former Party's ability to maintain people with National Front or Tudeh backgrounds in high Party office when journalists and others are being dismissed for similar previous activities.

has conferred great strength on the Shah in time of trouble; it paid off handsomely, for example, in 1963 when troops stood firm and fired on street mobs protesting land reform and voting rights for women.

However, like the rest of Iran's dynamic evolving society, the military has experienced, and is experiencing, inevitable changes pointing toward possible differences in attitude which may become more significant in the future.

Fifteen years ago many more government posts were in the hands of seconded or retired military officers than is the case today. Upper class Iranian families, which once saw the military as a route to the top for their sons, do so no longer. Many educated Iranian youth find compulsory military service loathsome and go to great lengths to avoid it, usually without success.

Ten years ago all officers promoted beyond the rank of lieutenant colonel were personally approved by the Shah and their promotions were based on some personal connection with HIM. This instilled an intense degree of personal loyalty within the officers, not toward the institution of the monarchy but toward the incumbent himself. As the military expanded it was no longer possible to promote only those with a personal tie to the Shah and promotions are beginning to be made on a merit examination basis, although the Shah still must approve all senior officer promotions. As Iran's military machine continues to grow in size and to acquire more sophisticated equipment, it seems probable that Iran will have to place greater value on the education and learning capacity necessary to operate such equipment than on security clearances even though those most opposed to the present regime are found among the students and educated elite. This need and competition for talent with the private sector will also accelerate the trend to recruit educable young men from poorer, often rural, families who would be less likely to advance through civilian channels and who, along with their close relatives, have benefitted least from the Shah's reforms.

One could argue that these lower class recruits would be grateful for the improvement in their status--progress they could not have made without the Shah-People Revolution--but often this has not been the case in similar circumstances in other developing countries. Rather, we

believe that this change is producing a sizeable fraction among the officer corps who, though generally loyal to the institution of monarchy, no longer see their primary loyalty to the present monarch himself. In addition, a smaller number believes that the monarchy itself is outmoded but that there is no practicable alternative for Iran for the moment.

We emphasize that this does not mean that the Iranian military are disloyal. On the contrary, we believe they would rally around the Throne in a confrontation with any rival save perhaps one of their own. What it does mean is that the traditional system of personalized controls, rewards and rivalries directed from above is becoming less applicable to control of Iran's increasingly sophisticated and complex military structure, just as in other areas of society. If this trend continues the tendency of the military toward independent action should increase, particularly in uncertain circumstances such as those which would prevail if the Shah were to die with the Crown Prince still a minor.

III. Conclusion:

With the exception of the introduction of the single party system, we view this evolution of the Iranian power structure as a favorable development for U.S. interests. As long as the Shah lives these power centers are likely to play decidedly subordinate roles on the Iranian stage. Immediately after his passing however, in a situation in which the new Shah will not at first have his father's unquestioned capacity to intervene as he wills, the power centers' ability to act may increase dramatically. This will be especially so if they have enjoyed some degree of independence prior to his death.

Most Iranians agree with the goals the Shah has set for Iran, though some dispute his methods, and the power centers discussed in this report have benefitted from his policies to a greater extent than most. With the possible exception of the IRP, these centers have a vested interest in the status quo and would be likely to help maintain stability during the transitional period of an untroubled succession. In this regard the creation of the Iran Resurgence Party appears to have been a retrograde step in that the new political organization is likely to be inefficient, overburdened by its own weight, divided against itself and far less independent than the

Iran Novin was. Thus, it seems unlikely that the IRP would be able to provide much support for stability once Mohammad Reza Pahlavi is gone.

However, given general agreement on the succession of Crown Prince Reza, which seems likely if the Shah carries out his publicly announced plan to abdicate at some point in favor of his son, the continuing evolution of quasi-independent power structures may suggest at least a partial solution to the problem of ensuring a stable succession to an absolute ruler.

HELMS

GOI CABINET MEMBERS

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	Mansur Ruhani	Minister of Agriculture and Natural Resources (Tehran; study, London)
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XXXX May 6, 1976

XXXXXXX E.O. 11652: GDS
TAGS: MORG, MPOL, IR

XXX

SUBJ : Impressions of the Iranian Military Officer Corps

P:M/FI

BEGIN SUMMARY: The Iranian officer corps does not now pose a political threat to the regime. The GOI has taken steps throug security measures and careful treatment to assure its loyalty. Greater difficulty in recruiting officers is changing the character of the corps from what it was in the past, and these younger officers could prove to be more troublesome in the future if the economy or political structure is subjected to severe testing. We acknowledge that our understanding of the thought processes of Iranian officers is limited and believe that greater attention should be paid to the acquisition of information on this important subject. We recommend that Farsi training for advisors sent to Iran be significantly increased and that orientation programs be redirected to bring into better focus U.S. interests in Iran. We intend to monitor th subject more closely and will report periodically. END SUMMARY

1. INTRODUCTION. This report summarizes what we know of the Iranian officer corps with respect to its political orientation and professional qualifications. In part because these subjects are so important to the security of Iran, there are few available statistics or official data on which to base our conclusions. Because of this sensitivity and our close association with the GOI, few people in or outside the military speak frankly to us about its strengths and weaknesses. Further, our knowledge of personalities in the Iranian officers corps is generally limited to those who speak English and have regular contact with Americans. Despite these reservations, we feel that our sampling is sufficiently adequate to allow us to form a number of fairly reliable opinions.

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DL/M:HPrecht:mjl ARMH:HMills

Comments, contributions and concurrences were received from DEFREP, ARMISH/MAAG, POL, ECON, CR and DAO

2. CONTINUED. "Reza Shah was very proud of the armed forces of [illegible] creation--and terribly shocked when they failed to offer effective resistance to the British and Soviet columns that invaded the country in 1941. These forces were built up by him for the primary purpose of establishing and maintaining internal security in Iran; at first they were scarcely adequate, numerically, for that purpose, while later on their swollen numbers constituted a heavy drain on the country's revenues.

"For years he kept constant watch over the army: inspecting its units at Tehran, visiting garrisons throughout the country, attending manouvers, passing judgment on the competence of its officers, and providing whatever funds he felt it needed. In its secondary role the armed forces were to protect Iran from the aggression of neighboring countries, but not to be thrown into international conflicts. Although he realized that it was short of heavy armament and motorized equipment, he believed it was a modern, efficient force. However, his basis for such a belief was very limited." (Donald N. Wilber, Reza Shah Pahlavi.)

Iran's officer corps in the 1920s and 1930s, and to a lesser extent through the early 1950s, was drawn largely from Tehran and the Azarbaijan and Kurdish regions, areas where national consciousness first developed and where national defense seemed a patriotic function and one which could lead to personal advancement. Since around 1955, more officers have been recruited from other areas of the country, although Tehran and the northwest still probably account for a majority of the corps. Similarly, in the earlier period officers tended to come from distinguished families, particularly those clans which had supplied the military leadership in previous generations. (Until the 1920s, military rank could be inherited.) It was common for the powerful families to put at least one son--for "insurance"--in the Army. Thus, there are still some representatives of the well-established old families in the Iranian officers corps. There are, for example, five Jahanbanies on the list of generals and one Colonel Jahanbani until recently headed the new Marine Brigade. (Fifteen years ago the IIAF BG Jahanbani was in the eyes of some foreigners the leading potential coup leader. His father had had close ties to the USSR. BG Jahanbani's survival testifies to the strength of family ties and competence in overcoming suspicions of disloyalty.) Officers like Vice Admiral Ardalan and Major General Khalatbary were undoubtedly assisted in their careers through family connections, distant cousins though they might have been.

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senior GOI civilian positions as ministers or governors general. More recently technocrats are given such positions. The military now seems to operate in semi-isolation from other elements of the GOI, its function confined almost solely to national defense.

From the end of World War II until around 1963 the military was, in fact, a political organization. It was the privileged class, an avenue upward for the ambitious and a group pampered with special favors to preserve its good will. Those days have passed, the military's place in the life of the country has been downgraded, its prestige and perquisites reduced and there has been an obvious effect on the recruitment of able, aspiring young men.

3. "THE SYSTEM". To progress through the ranks, an officer finds he must conform to certain unwritten rules, i.e., avoid risks; never seek responsibility; if you have responsibilities, never delegate them. In the past the Services were not generously funded and the demands of economy or austerity then established even now continue to dominate. All supplies are carefully protected and mistaken, particularly those leading to waste, are harshly punished. Experimentation and risk-taking are discouraged, implicitly if not by order. As a result, an officer soon learns that he is better advised to follow orders to the letter than to work for change. The advancement of an officer is dependent on his loyalty, his score on periodic examinations and the purity of his record. With characteristic Persian cynicism, many officers believe that promotion is directly dependent on "who you know" rather than performance. Those men who test the system or otherwise "make waves" find the odds are against them. There are few rewards for success, while failure is quickly and sometimes severely punished.

The Shah, like the American president, is the military commander-in-chief. The distinction is that the Shah actually commands each of the Services. All important decisions in the military and many minor ones, e.g., transfers and promotions of officers, authority to use military equipment for non-military purposes, limitations on normal contact with foreigners, etc., are attributed to the Shah. Certainly the major issues are handled by him personally. Manifestly, however, there are not enough hours in the day nor the Shah himself to handle all details. It is quite probable that many military questions are referred to [illegible] by senior officers in the Shah's name. Unfortunately, as more little

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or this process. It does have the effect, however, of tending to promote responsibility at the highest possible level. While there are obvious security considerations in maintaining a centralization of authority and vertical lines of communication, that structure and mode of operations hinders the overall effectiveness of the Armed Forces and limits the development of officer personnel. Further, because there is a basic distrust between individuals in Iranian society and because officers are unwilling to commit their careers to the actions of others, there is an extreme reluctance to delegate responsibility. (There are some positive signs of change: the new IRN Commander has told his officers they will not be punished for honest mistakes; he is encouraging initiative and delegation of authority.) As a consequence, an officer does not learn by making mistakes and many operate at a fairly senior level without having been tried and proven in the way that a modern Western military system screens and perfects personnel. Another consequence of the intensive Iranian individualism is the downgrading of "team" effort and "team" success--counter to the needs of the Services.

The three Services are the preserve of regular officers who are expected to remain on active duty essentially for a lifetime. An effect of this has been a slow rate of promotion and, in the IRGF and to a lesser extent the IRN, an older officer corps than is found in the United States. Twenty years to major is not unusual. Lifetime service tends to produce apathy, poor morale, a certain level of discontent and the retention of many ineffective officers. The IRN had a purge of ineffective admirals in 1969 and since then has had a younger and more junior leadership; we hear that another purge of captains and commanders is coming. In the IRGF, we understand, the Shah directed that steps be taken to reduce the minimum time in service of general officers from 30 to 22 years. Consistent with this policy, in the past three years there have been a number of senior officers selected for retirement. Still, many older officers are required, because in the ranks of the Armed Forces multiply, there is a need for experienced leaders who have proved their loyalty

4. [redacted] Iranian officers can clearly [redacted] with foreigners in terms of personal interchange. Their performance is frequently [redacted] by the necessity of working in a foreign [redacted] and, if we think, together with cultural-social [redacted] of ability which many of whom lack a background of self-confidence with [redacted] not in so much a part of a westerner's

upbringing, officers are perfectly able to assimilate the new military technology. The part of learning is played by the traditional rote method and technological difficulties in shifting to Western technology. Because of the lack of a qualified NCO corps, officers are required to take on secondary tasks which impede their development as managers. A great impediment is the difficulty for competent officers to find opportunities and outlets for their ability within what we have described as "the system". The bright and dedicated young major may shrink from testing his talents in order to secure the safe path of advancement. Eventually he may find that his talents have atrophied.

The Iranian military also suffers from the vices characteristic of any peacetime army. Except for clashes in Oman, along the Iraqi border and, until a decade ago, with tribal groups, the Iranian military has seen no combat since the World War II period. As a consequence, operational readiness does not have the same meaning as it does in the American services. Polishing and rigging for an inspection, a parade or a field exercise generate more adrenalin than the day-to-day business of preparing for eventual combat. Some American advisors have described the Iranian services as "playing soldier" and questioned whether the services were indeed capable of fighting a war. There is an element of truth in this criticism, and the lack of a sense of urgency and of an immediately perceived threat tends to relieve an officer from pressures to develop his skills or increase his knowledge in new directions. With the application of pressure as in Dhofar fighting, Iranian units have performed surprisingly well, though flawed by a lack of experience in tactics and command and control. Creating armed forces capable of maintaining discipline in combat has been a constant preoccupation of the Shah. "How do you get your pilots to fly in the face of heavy Vietnamese AA fire?" he once asked a U.S. visitor. The memory of Iranian military failure in 1941 has provided a strong impetus behind his drive to change the fighting quality of the three Services.

The performance of Iranian officers also suffers because of a fundamental weakness in planning. Iranian society, for centuries led by weak governments and subject to unavoidable external forces, has placed little premium on the anticipation and prevention of problems. Personal survival in an insecure society takes precedence over functioning as a small part of an effective organization. These kinds of cultural "defects" in the make-up of the individual officer often seriously affect his job.

Although [redacted] are changing, more quickly perhaps in the more industrialized IRAF and IRI than the traditional IRGF, it will have also, more gradual.

The IRAF is already the most professional, best organized and most united of the services. The IRGF which stands to the most and overwhelmed by the complex tasks of a modern army. The IRI has yet to establish a defined national orientation in a country that lacks a well-defined constitution. This means that the IRAF will probably continue to attract the brightest and most dynamic of the new recruits in a restricted and competitive labor market, thus perpetuating the performance gap between the Services.

In general, we believe the Iranian officer can master the sophisticated equipment that his government is purchasing, but it will take him a greater period of time to do so, absent the more competent officers to take on the burden of extra responsibilities and require the presence of foreign advisors and technicians in considerable numbers for some time. This prospect raises two political questions: How the officer corps will react to the profound phenomena of development and how they will view the IIA predetermination program if major difficulties develop in the assimilation of complex weapons systems.

5. [redacted]. In the Middle East outside of Israel, for example, it seems to have been almost impossible for foreign advisors to develop between Americans and Middle Eastern counterparts. The Iranian Army was in a position of greater dependency and the Americans had a chance to develop friendship. As the Iranians have become more independent they have tended to view their advisors more as consultants or call neither than subordinates and occasionally invited participants. Further, there are restrictions on Iranian officers' acceptance of social invitations or even corresponding with foreigners. Customarily these rules are designed to prevent communist infiltration, but they probably are also intended to minimize foreign influence in general. For the most part, senior Iranian officers see their advisors as a useful resource, i.e., as skilled officers who can supply or obtain technical information. Advisors are also seen as a means of advancing a proposal which might prove controversial or which requires a sufficiently radical departure to require outside support. Frequently the Iranians would have the advisor make known what they feel a lack of boldness in carrying through a proposal. Sometimes they are simply too busy to do the job that an

[illegible] can be considered as problems. When the advice is [illegible] of a technical, or sometimes minor a special [illegible] nature, [illegible] it seems that the [illegible] an Iranian officer [illegible] an Iranian officer possesses the [illegible] technical to be able to communicate to engineers his problems and, as indicated, an engineer can [illegible] be more useful to him and other Iranians he would meet on how to carry out the established MAP policy that the military is to follow overseas.

When we have asked Iranians what they valued most in an American adviser, they have replied, after making a [illegible] the distinction of professional qualifications, by saying that an adviser should know something of Iranian history and customs and speak the language, even as a limited way. An ability to express even simple ideas in Farsi is an enormous help in dealing with Iranian counterparts, although our advisers who work in the language, Iranian's directness and ability to deal as equals with counterparts is an advantage. The superior aire of the British and not to Iranian tastes. However, their professional talents and those of other Western Europeans are held in the same sort of regard as the Americans. Other non-Western nations are not regarded on the same plane. Iranians generally tend to view Egyptians, Pakistanis, Indians, Turks and Jordanians as people normally inferior to themselves as military officers Iranian officers would not object to serving side by side with Jordanians, who probably rank highest on their scale, but they would not wish to have them as instructor pilots.

The psychological attitudes that have grown up in the Iranian services over the past thirty years of dealing with Americans have given us a great lead over other countries. We are trusted. Moreover, there is general esteem for American values and our acquired efficiency. This is a debt to the men who have served here as advisers in the past. Should difficulties develop between our two governments because of restrictions on our military relationship, the attitudes towards our advisers on the part of senior Iranian officers would probably reflect closely why they are not by the Government, despite some lasting feelings of personal friendship and possibly even stronger feelings of responsibility if an officer felt he was compromising his own. As noted below, in the event of a change in political policy there may be a [illegible] Iranian duty [illegible] advisers to maintain their [illegible] and [illegible] hospitable, traditional [illegible].

6. PAY, PERQUISITES AND CORRUPTION. An Iranian conscript receives the equivalent of ninety cents a day. Clearly, to start from that base it is not possible to pay senior officers a very high salary. The pay of a lieutenant general, for example, is around $2,000 per month. To keep the most senior and promising officers satisfied, the services years ago developed a system of "private" allowances and other obscure forms of compensation. For example, one IIAF general was alleged as a colonel to buy land cheaply and later required to sell it to the city at a handsome profit. Many generals and colonels, active and retired, are now prosperous landlords in north Tehran and the Caspian on land distributed to them in the fifties. This system has been tightened up and the number of allowances reduced in recent years, but still there are ways of securing special compensation for the military. Last year the Shah directed that military pay be raised to a level 20 percent higher than comparable civil service salaries. However, the civil service also has a system of private allowances and special forms of compensation and, according to military officers, it has not been possible to work out an accurate differential. To supplement their incomes a number of technically-qualified officers, especially doctors, moonlight in the civilian sector with official toleration. Retiring officers are frequently rewarded with good jobs in the civilian sector.

Because of Iran's inflationary pressures, we hear some grumbling about pay. There is some jealousy in the IIAF and among ground-based IIAF personnel towards officers on flying status who can receive up to $1,000 additional pay per month. IIN middle and junior officers are upset over pay and differences in pay between Tehran, the Persian Gulf and the Caspian--regions which are being addressed by the IIN Commander. High rents in cities are a frequent complaint and junior officers who have moved to find accommodations, especially in Tehran. But the already generous system of compensation is being improved and at direct costs military base costs are an extensive program of construction for military housing. Progress on construction is slow, however. Some housing is being allocated for officers after their retirement. There is also a well-structured system of clubs and commissaries. Special allowances are paid for duty in "hardship areas such as Oman. Although the investment in foreign officers cannot be said to be limited by Western standards, it does enable the service chiefs to lead comfortable lives, probably at a level above what they could afford on the salaries of most of them. The need to keep military personnel happy and the

[illegible] competitive with the civilian sector are factors helping to push military budgets to higher levels.

Facts on corruption are very hard to ascertain; rumors abound. In general, because of the superior discipline and controls and the dire threat of punishment, we believe there is probably relatively less corruption in the military than in the civilian sector. Certain questionable practices have been tolerated in the past, however, although the GOI's attitude seems to be changing towards even tighter controls. For example, the IIN Commander and his Deputy were well known for several years in business circles as the recipients of bribes; their arrest, conviction and punishment apparently followed the presentation of evidence by a foreign firm. Recently we have heard of more arrests in the Navy. On the other hand, IIAF officers who are said to have accepted or invited bribes have been transferred to other positions without as yet any punishment. Investigations are continuing and have had the effect of creating a great deal of caution and nervousness in the three Services. The present GOI attitude toward corruption, however, is not entirely clear, and we suspect that there is a feeling in the Government that house cleaning can be pushed only so far before either weakening military morale and capability, harming the Government's reputation, or inviting trouble from those who might decide to fight back--the latter a rather remote possibility.

7. MIDDLE GRADE AND JUNIOR OFFICERS. Our knowledge of officers below the rank of colonel is limited. In general, we note among these younger officers a set of attitudes that is somewhat different from their seniors. More frequently they tend to be critical of the traditional mode of doing things in Iran. They also seem sometimes to resent the special position held by foreign advisers, feeling that Iran should be independent of such outside influences. This attitude may be based as much on youthful exuberance as on political or ideological motivation, but in the proper circumstances it could acquire political content.

In general, we do not believe that the young officers were attracted to the military for political reasons. Iran has not engaged an enemy in a national cause in three decades and has no hostile attitudes towards neighbors which can whip up intense patriotic feelings. Those young men who want to reform the political system would be unlikely to seek a place in the military which

is /opined to be strictly controlled by the security organizations. The motivation of the new officers in joining the military seems to be economic. As noted, these officers come to the service from income groups that are sensitive to the pressures of inflation, shortages and other economic imbalances that Iran is currently experiencing. Many of them are attracted to the officer corps by the opportunity to improve their station in life. These young men who cannot meet the strict university entrance requirements in Iran or afford education overseas find the military offers university-level training, a stable position and the prospect of travel and official status. But they retain their ties with their origins and will be sensitive to the progress of the GOI's economic and development programs. They also undoubtedly have many ties with their high school classmates now in the universities, the primary breeding ground for radical thought in Iran. One of the main targets of the often muddled thinking of university radicals is the regime's economic performance and the clandestine broadcasts regularly bear down on inflation, waste and corruption. The younger officers, more subject to such influence and as yet not fully inducted as loyal members of the political "establishment", could be a troublesome group if the Iranian economy should suffer a severe setback or if the country should receive a major political shock, e.g., assassination of the Shah or defeat in battle. In a situation of political crisis, the younger officers may be more inclined to think for themselves than some of their seniors whose bodies have grown soft and minds hard.

Within the junior officer ranks there is a distinctive group of officers--the conscript second lieutenants--who represent a totally different element of society in relation to their regular Army colleagues. These young officers are all college graduates and many have advanced degrees from U.S. or other foreign universities. They serve their two year obligatory military service and then leave the service to pursue civilian professions. The traditional attitude of most regular officers is that the conscripts are professionally incompetent, lazy and untrustworthy. Also the regular officers, particularly those assigned to engineering and technical branches, are sometimes subconsciously jealous of and fear the intellectual talents of the conscript officers. The conscript officers in turn look upon the regulars as intellectual inferiors; believe that military service is an interruption on their life style; and loathe the "old school ties" of the regular officer corps, most like to engage. their dissatisfaction

with the system (though within constraints.) An interesting point is that many of the conscript officers are assigned as technical and English instructors in the Imperial Iranian Military Academy. This provides an opportunity for them to implant in subtle ways their philosophies in the highly impressionable minds of the cadets. This opportunity is magnified by assignment of large numbers of conscript officers as instructors in the conscript enlisted training centers.

8. POLITICAL ATTITUDES. Gripes in the Iranian military services are not much different from those heard in all armies. There are complaints about pay, and sometimes about favoritism shown to other officers. The IIAF has a particularly sensitive problem in the keen resentment of some of the younger generals at the caution and lack of leadership of the Commanding General. There are complaints about high rents (sometimes blamed on Americans), and about the problems of urbanization in Tehran. But the grievances do not seem to be serious enough to cause concern. Nor do they seem to carry a political message. The cases of military association with subversive groups have been remarkably few in the past six years, particularly in comparison with the influence that the Tudeh Party once had in the Iranian military services. Recently, the security organizations have become concerned about the possible linkage of university-based terrorist groups (right and left-wing varieties) and younger officers. Several arrests of junior officers were reported in March. This is a new development, however, and not yet a proven concern. The control and surveillance of security organizations is thought to be very strict indeed, although probably these groups are not as effective as they are feared. All Iranian military personnel are continually subject to a program of political indoctrination and the ambitious are well aware that a reputation for total loyalty can be a valuable aid in advancement.

The Iranian Armed Forces resemble the American military in that they appear to be essentially apolitical institutions. Our close association over 25 years probably has had something to do with the orientation away from political involvement, although this development should be mainly attributed to the success of the regime in inculcating or winning over most elements of the old opposition. Although occasionally an officer will make some favorable comment about democratic conditions in the United States, almost as frequently observers will remark on our lack of discipline and dynamism. [illegible] to hear a critical remark about the Shah's regime or even of any

[illegible] which can be attributed to him. Iranian officers are [illegible] to express any criticism of conditions in Iran, especially to the Americans. For example, we have rarely heard doubts expressed about the wisdom of large-scale arms purchases, with the exception of a general mixed feeling in the Army over the Chieftain tank, which is thought too heavy, too complicated and unsuited for the Iranian environment. If the Shah has decided that Iran will have a certain weapons system, Iranian officers may eventually have difficulty in assimilating the equipment, but will almost always conclude with an optimistic conviction that the job somehow can be done. We see signs of the development of military opinion that the purchase of large numbers of sophisticated systems could lead to the degradation of the Services as effective forces. What is, we have no evidence to support a finding that such opinion is either widely held or seriously discussed in the Services.

CONCLUSIONS. In our judgment the Iranian Armed Services [illegible] a long way since officers who were members of the Tudeh Party were believed to be one of the military threats to the regime. Through a lengthy process of security controls, cultural indoctrination, and ample rewards, the Shah seems to have created an officer corps that poses no serious loyalty problem. This process has been facilitated by the absence of any controversial political issues or economic difficulties which might mobilize military opinion against the regime. The three military Services have their plates full with the absorption of new equipment and production of new units. While it is conceivable that frustration in these tasks could lead some officers to turn against the regime, that scenario is unfilled without supporting evidence. For the moment, it seems that the officer corps and its major task in the immediate and [illegible] struggle against cultural patterns and systemic impediments that stand in the way of the objectives set by the Shah.

The big challenge for the regime will be to assure that the young officers become loyal and committed sides by their mature years. Careful sorting and generous [illegible] can be effective in a society where individual [illegible] is important, but it also seems certain that domestic events outside the military ambit, especially in the [illegible] of time, can have decisive influence on the political orientation of the new group.

The present situation, while promising, should not be presumed to be static. Iran is changing rapidly and

the recent very positive trends could be slowed or arrested by untoward events. As one senior general confided to us in discussion his plans for possibly moving to the U.S. after retirement, "You know Iran and you know many things could change here. We have to be prepared for anything to happen."

IMPLICATIONS FOR THE UNITED STATES. As we emphasized at the outset, our information on the Iranian officer corps is much less reliable than we would like it to be. We play a major military role in this country and can expect to maintain our presence here for the indefinite future. It is dismaying to realize how little attention we in the United States Government have paid to the task of understanding the Iranian officer. With so much invested in this country, we simply cannot afford not to be better informed. Therefore, the Ambassador recommends with full Country Team support that an immediate effort be made to prepare officers more thoroughly for assignment as advisers in Iran. Presently there are now only a small handful of officers among those assigned here who can speak minimal Farsi. We should begin without further delay to assure that at least 25 of the MAAG and TAFT officers assigned to Iran each year have language qualifications. Ideally, these officers would be qualified through language aptitude testing and be selected from the junior ranks, e.g., captains and majors, who can expect to have another tour in Iran or in Iranian-related programs in the U.S. during their careers. It would be especially useful to send to language training those officers who are to have advisory posts in the provincial areas where little English is spoken. Further, we suggest that the program of orientation for officers assigned to Iran be rigorously reviewed by DOD officials so as to assure that it conforms to the requirements that the USG faces in this country. Too many officers arrive here without real knowledge of Iranian history or customs. We can no longer live with the attitude that a MAAG or TAFT advisor should be limited to technical services and remain unaware of the Iranian political process and our relationship to it.

We in the Mission are monitoring this subject more closely and with greater regularity. Periodic reports will be submitted.

HELMS

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NARCOTIC SITUATION REPORT

SUMMARY

The role of Iran in the field of international narcotics has increased appreciably in the last several years. Most of the hashish smuggled into Iran from Afghanistan and Pakistan is trans-shipped to Western Europe by Iranian traffickers utilizing legitimate international truck shipments, which are often accompanied by a "Transport International Routier" (TIR) carnet. Equally important is Iran's inordinately large drug addiction problem.

To solve its internal drug addiction situation, Iran must depend upon international and regional cooperation - something which has not been forthcoming in the past. While Iran has had an active anti-narcotics enforcement program within the National Police for the past 20 years, intragovernmental cooperation with other law enforcement agencies has been nonexistent. The structure of the Iranian bureaucracy and the rewards system for information and seizures of drugs have not encourage cooperation between the police (urban), Gendarmerie (rural) and Customs (ports of entry and international airports).

DEA's operational activity in Iran is very minimal and limited to certain bilateral actions conducted only with specific and prior knowledge of the Iranian National Police Narcotic Administration (INPNA). DEA's liaison program with the INPNA and recently established liaison with the Imperial Iranian Gendarmerie (IIG) entails the exchange of information and narcotic intelligence, liaison and providing training and support activities in furtherance of DEA's overall mission.

DRUG CONTROL IN IRAN/BACKGROUND

1. Drug Addiction. Iran has an illegal opium addiction population estimated at 400,000; in addition approximately 160,000 opium addicts are presently registered with the Ministry of Health under the opium registering system. The heroin addict population is estimated at 20,000 to 40,000. Abuse of barbiturates, amphetamines and hashish appears to be on the increase but no quantitative figures are available. Most of the opium consumed illicitly is being smuggled into Iran from the neighboring countries of Afghanistan and Pakistan.

Some of the opium smuggled into Iran is converted into heroin in clandestine labs situated in the Hamadan/Rezayieh/Tabriz area, Azerbaijan Province in the west and in the Meshed/Nishapour area in the eastern part of Iran. The heroin is then smuggled into Tehran where it is distributed to the addicts. Incidentally, Tehran represents approximately 90% of Iran's heroin addict population.

2. Enforcement. Narcotic law enforcement in Iran is fragmented and lacking unified concerted action. INPNA and IIG-Anti-Smuggling Directorate are the Iranian agencies primarily responsible for drug law enforcement and suppression of illicit traffic. Customs Service, whose jurisdiction is ports of entry, including international airports, for all practical purposes seldom, if ever, exercises its investigative powers in narcotic enforcement.

A. INPNA is an investigative division within the Iranian National Police concerned with the criminal enforcement of narcotic drug laws. Its main headquarters is in Tehran with district offices located in various major cities of Iran. The latter offices are directly under the command of the chiefs of respective cities and do not report to INPNA headquarters. There is no line command. INPNA manpower is inadequate - approximately 45 investigators in Tehran - its budget limited and resources lacking. However, it is the only professional narcotic law enforcement agency in Iran. Considering its limitations, it has performed well in the past.

B. Anti-Smuggling Directorate of IIG has no narcotic investigative division, even though its jurisdiction encompasses 80% of Iran, including vital border and rural areas. Throughout Iran there are 113 anti-smuggling units situated primarily on the eastern frontier and southern and northern borders of Iran. Their primary function is interdiction of commercial commodities and smuggling of arms, cigarettes, etc. Narcotic enforcement is minimal and, in reality, represents the lowest priority. These anti-smuggling units are comprised of uniformed officers whose functions are carried out through regular patrolling, performing search and seizure of persons/vehicles, instituting road blocks, etc.

C. Customs Service is primarily an administrative organization with uniformed officers stationed at border points of entry and international airports. It is more interested in assessing and collecting duties on imported goods than intercepting narcotic drugs. Control of international vehicular traffic, including the TIR carnet carrying vehicles, is vested with the Customs Service.

There is very minimal exchange of information or narcotic intelligence and cooperative coordination of operational activities at the working level between the three enforcement agencies.

The existence of reward system inherent in these agencies invariably discourages interdepartmental cooperation and, in fact, encourages bureaucratic red tape.

With the exception of the INPNA, the enforcement agencies involved with the suppression of narcotic traffic are not adequately funded and properly trained.

3. Training. DEA Tehran, in support of its objectives to strengthen the INPNA, is actively participating in the formal training of Iranian narcotic police officials. In the past two years, DEA Tehran has provided two incountry training schools for approximately 80 Iranian narcotic police officers. DEA Tehran also trained 18 officers in DEA Headquarters' Advanced Training Program in Washington, D.C. Since the inception of this training, INPNA has adopted conceptual enforcement techniques and has become more effective in conducting enforcement operations. Above all, it has encouraged greater cooperation betweeen DEA and INPNA. This training has contributed toward the development of a centralized narcotic law enforcement agency - the INPNA. Presently, under the auspices of the CCINC, DEA Tehran is conducting an executive observation tour for senior INPNA and IIG officials. This program is considered of paramount importance and is part of the overall policy for attaining U.S. Government objectives more effectively and realistically.

4. U.S.-Iran Cooperation. The DEA principal enforcement efforts in Iran are comprised of (a) cooperative enforcement and (b) enforcement assistance. These efforts are primarily expressed in terms of the exchange of drug intelligence,

liaison and strengthening of Iranian narcotic enforcement agencies. The latter provides for technical and equipment assistance, formal training of INPNA and IIG officers and cooperative enforcement, which to date has been rather limited by virtue of GOI's refusal to grant DEA greater operational latitude. DEA Tehran continues to seek access to investigations of mutual and international interest and encourages the INPNA in the use of conspiracy statutes, granting of immunity, etc.

In conjunction with the recent revisions of the Mission narcotic country action plan, the following objectives have been defined:

Diplomatic Initiatives

A. The Mission should encourage Iranian participation in funding of regional narcotics control programs.

B. The United States Government should support Iran's initiatives within international organizations, specifically, calls and programs for increased police cooperation, greater exchange of timely information, and better government-to-government contact.

C. The U.S. should support and encourage through appropriate consultation and offers of expertise, cooperation between Iranian enforcement units, such as customs, police and Gendarmerie with their Afghan and Pakistani counterparts.

Training Programs.

1. The U.S. should continue to fund executive observation visits to the U.S. for senior Iranian officials when such officials are available.

2. DEA should offer additional police training at least one and possibly two incountry schools for the training of police and Gendarmerie officers in narcotics work.

3. The Mission should support the concept of a cadre of narcotics specialists within the Gendarmerie through officers of training, follow-on advance training visits, and specialized management assistance if requested.

Operational Efforts

1. Iran has approximately ten million dollars available annually from the sale of legal opium to be used for narcotics control - rehabilitation, addict treatment and law enforcement. The Mission should encourage the Iranian Cabinet Committee for Narcotics Control to earmark funds for the Iranian National Police Narcotics Administration and the Iranian Gendarmerie anti-smuggling unit for additional manpower, facilities, radios and technical equipment.

2. Iran has taken its first tentative steps toward the formation of a pilot task force utilizing personnel from police and Gendarmerie organizations. In discussions with these organizations, the Customs Service and the Iranian prosecutor's office, the Mission should encourage extended use of this concept and urge the Government of Iran to provide equipment, funds and official backing to proceed with major investigations.

AMERICAN COMMUNITY REPORT

The incidence of drug abuse in the American community has leveled off after a marked increase in the latter part of 1976. Recently, with the continued support and financial backing of the Mission, particularly the Ambassador's office, the Community Development Center in Tehran was inaugurated with the participation and support of the Armish-Maag, American business community and the Tehran American School. This week was the first case of overdose death (heroin/Valium) reported in the American community. The victim, a 15-year old high school student, was a dependent of a Grumman Airspace employee in Isfahan.

DEA
Peter Dedich
Jack L. Greene
January 31, 1977

ORGANIZATION/DEA

The work of DEA includes the responsibilities of providing expertise and assistance to foreign agencies in narcotics and dangerous drug enforcement and control programs, assessing significant drug abuse trends and trafficking patterns, and development of working agreements with representatives of foreign agencies for subsequent use as the foundation of development and implementation of the narcotic country action plan programs.

The Special Agent-In-Charge's function is to serve as the principal advisor to the Chief of Mission and the DCM on all narcotic matters, conduct liaison with heads of Iranian narcotic enforcement agencies, as well as chiefs of various sections within the American Mission. The SAIC also has responsibility for liaison with the Persian Gulf countries. The SAIC's work also covers the usual functions of administration of the DEA office Tehran in carrying out all aspects of actions, programs and policies set forth by DEA Headquarters/ Region and the Mission.

The Special Agent's major duties encompass trend analysis in the illicit narcotic and drug traffic and production in Iran, its implications, particularly in relation to the affect upon the U.S., Iran and its neighboring countries. This officer provides assistance and expertise to Iranian National Police on narcotic and dangerous drug enforcement and control programs; participates and assists in investigations of international illicit trafficking; develops and reports on technical and strategic intelligence.

The DEA office has a full-time secretary and a local contract employee (driver). The SAIC Tehran reports to Mr. John Warner, Regional Director, Region 19, Ankara, Turkey.

15/2/10

WORKING PAPER

ص ١١, ٢٩

Iran

1. (S) Threat as perceived by Iran.

The Shah perceives many threats facing Iran in the years ahead. Primary among these is the threat from the Soviet Union. Historically, Iranians have harbored fears of Russian domination and have viewed Russia as the major threat to their territorial integrity. Recent Iranian-Soviet economic cooperation notwithstanding, the Shah firmly believes that the historic Russian objectives, of dominating Persian Gulf affairs and establishing a land bridge to warm water ports, will continue to guide Soviet policy in the Middle East and South Asia. The Shah knows that military occupation of Iran would be the fastest means for the Soviets to achieve these objectives. But he probably views such action as highly unlikely at the moment because of Soviet preoccupation with more important issues such as European detente, China, and improved relations with the U.S. Further, he counts on the U.S. to assist in a defense against the USSR. What concerns him far more is the indirect threat which the Soviets pose through their assistance, both overt and covert, to those governments -- particularly Iraq's -- and dissident elements in the region which appear intent on undermining Iranian security. The strategic implications to Iran of close political ties among India, Iraq, Afghanistan and the USSR worries the Shah. He perceives a threat of Soviet induced collusion among these countries, intensifying all the other threats to Iranian interests. With signs of declining Soviet influence in the Eastern Mediterranean, the Shah fears that the USSR will now turn with increased vigor to expanding its influence in the Gulf, cementing ties with Afghanistan and Iraq in the north and supporting insurgent attempts to topple conservative governments in the littoral states to the south. This is the primary reason that the Shah has committed Iranian forces in Oman to combat the rebellion backed by the PDRY, a Soviet client. He further is apprehensive over developments in Turkey fearing diminished Turkish stability, which could endanger Iranian security in the long run. Moreover, Pakistan's internal political problems compounded by dissidence in its Northwest Frontier and Baluchistan provinces, also raise grave doubts in his mind over Pakistan's ability to hold together. Indeed, the Shah views the latent Baluchi separatist movement in Pakistan as a direct threat to Iranian Baluchistan.

The Shah also sees the security of his oil facilities and oil routes to the West as vitally important to Iran. He is extremely sensitive to the vulnerability of his main oil

Emb Tehran A-105
June 20, 1977

File Pahlavi Foundation

SECRET/LIMDIS/NOFORN

ANNEX C

ROYAL FAMILY PARTICIPATION IN IRANIAN BUSINESS

Royal Family interests range through a wide gamut from cement production to pharmaceutical products. This is not to imply that they are the majority stock holders in these diverse companies. In numerous instances, they are silent partners with minority holdings or have front men hold their shares for them.

Some members of the Royal Family have a clear personal interest in the activities of their companies. Prince Abdul Reza, as a large land owner with a very real interest in advanced agriculture, is a partner in Iran John Deere Ltd. which builds, imports, and sells farm machinery. He is also very interested in conservation and wildlife and accordingly is an owner of Iran Safaris, Ltd., a firm which organizes shooting trips.

There follows a merely illustrative list of some of the business holdings of the members of the Royal Family other than the Shah.

Pahlavi Foundation:

This organization owns hotels, restaurants, and share holdings in a wide variety of Iranian companies. Among these latter it is particularly strong in pharmaceuticals (the Daru Pakhsh Welfare Organization), asbestos, and cement. The organization controls about 50% of Iranian cement production. The Foundation produces a rising flow of income much of which is devoted to the charitable purposes for which the Foundation was ostensibly established, but an amount estimated at between 20 and 40 per cent reaches various members of the Royal Family. The Foundation is not efficiently managed since it is widely used as a source of jobs for friends and minor relations of the Royal Family. Since it has the Court behind it, the Foundation enjoys an unfair advantage over its competitors and thus distorts and depresses the development of Iranian business. It is the focus of much of the resentment expressed by Iranians [illegible] the business activities of the Royal Family.

SECRET/LIMDIS/NOFORN

(22)

CONFIDENTIAL

JSIS

To: American Embassy Tehran

From: USIS Turin

Subject: Memorandum of Conversation

Date: August 31, 1977

Participants: Branch Public Affairs Officer Philip W. Pillsbury Jr.
Giuseppe GATTI, IV Grantee (FY 77)

Place: Ristorante Da Francesco Torino

Mr. Gatti spent approximately three weeks in Iran in July, 1977 on a project for the IBRD. His observations are the subject of this memcon.

1) "Re-education Camps": Mr. Gatti travelled by car with one or two colleagues to Loristan. He was accompanied by an agent of SAVAK. Near Qom an accident had occurred, blocking the road. The agent received permission for them to continue, using an old, unpaved caravan-serai road as a detour. They soon had jeep escorts, fore and aft. Shortly they came upon what the agent called a "re-education camp", located at the edge of the salt desert. It extended for seven or eight kilometers and was ringed with three rows of barbed wire. Soldiers armed with machine guns stood at the ready. Mr. Gatti said that upon reaching his destination he was asked to be a guest of the Savak colonel in charge of Loristan - he did not get the name. Mr. Gatti said the colonel offered opium, which he turned down. Shortly, the colonel, in an expansive mood, said there were more than 200,000 individuals in these "re-education" camps. Mr. Gatti said the term "political prisoner" was, obviously, never used. The conditions in the camp that he was able to observe made him shiver.

2) Human Resources and Corruption: Mr. Gatti commented on the waste of human resources that he was able to observe, and by corruption. Iranians return from education abroad, highly trained, and no longer work. Instead, projects are contracted out to foreign firms. He gave specific impressions on the project for the construction of the Shah's tomb. It involves 11h architects, most of them foreign, under the so-called direction of the architect of the Imperial Court.

Mr. Gatti was struck by the apparent nepotism. He said the Shah's brother controls transportation and favors roads and truck transport over railroads. He refuses to have a trunk railroad line built between Arak and Isfahan, a project that would save untold amounts in transportation costs.

The Shah's sister is in charge of industry; no basic decisions are made without her. The Empress is in charge of housing and appointed the current Minister of Housing because of their acquaintance in Paris as students.

3) Military: Mr. Gatti had several discussions with officers, especially those in the Navy. (The Italians have a significant stake in Iran's navy, as many Iranians attend the Naval Academy in Leghorn, and Iran purchases ships constructed at La Spezia.)

INFO: RMWright - PO
:pwp

cc: Mr. Ford - POL Rome

CONFIDENTIAL

Mr. Gatti said the military support the regime but increasingly resent the huge amounts of money that are going into civilian bureaucrats' pockets, diverted from basic purchases for the military. Further, they resent their low - comparatively - salaries. Mr. Gatti felt that the military will take an increasingly active role politically and could even engineer a coup after the departure of the present Shah, maintaining his son as a figurehead.

4) French Penetration: Mr. Gatti was impressed by the extent of French penetration culturally, in the education system, and in the ministries. The French, he said, are actively engaged, especially in the reorganization of government ministries (contractually), and are providing means to send Iranian bureaucrats for study in the "Grandes Ecoles".

5) Some "man-in-the street" attitudes:

a) The Shah and Shabanou are above criticism, but there is increasingly virulent, widespread criticism of the excesses of the royal family.

b) The man-in-the-street looks to dictatorship, not democracy, in Iran, even if the dictator is someone other than the Shah. There seems to be little interest in or hope for democracy in Iran.

c) There is deeply-felt, widespread anti-Soviet feeling rather than active expressions of anti-communism. Mr. Gatti mentioned a schism in the Tudeh party based on Soviet claims on Iran.

cc: American Embassy Rome

PR:lab:cp:lwp

RECEIVED

04 OCT 1977

POUCH AND MAIL UNIT
EMBASSY OF THE
UNITED STATES OF AMERICA
TEHRAN

Tehran, Iran

January 5, 1978

Dear Aslan:

This letter will confirm our understanding of the arrangements you have made for the visit of the U.S. Delegation of six Senators (CODEL Williams/Stevens) January 9 - 11. His Imperial Majesty, the Shahanshah Aryamehr, will receive the Senators in Audience at noon January 10. This will be followed at one p.m. by a luncheon.

The six Senators are:

Senator Harrison A. Williams, Jr., Chairman
Senator Ted Stevens, Co-Chairman
Senator Howard Cannon
Senator Abraham Ribicoff
Senator Ernest F. Hollings
Senator Jacob K. Javits

They will be accompanied for the Audience and the luncheon by Ambassador Sullivan and myself.

With high esteem and warmest personal regards.

Sincerely,

Jack C. Miklos
Deputy Chief of Mission

His Excellency
Dr. Amir-Aslan Afshar
Grand Master of Ceremonies
Imperial Court

POL/MIL:RAMartin:ag

Tehran, Iran

January 5, 1976

Dear Aslan:

This letter will confirm our understanding of the arrangements you have made for the visit of the U.S. Delegation of Representatives (CODEL Zablocki) January 13 - 15. His Imperial Majesty, the Shahanshah Aryamehr, will receive the Representatives in Audience at noon January 14. This will be followed at one p.m. by a luncheon.

The Representatives are:

Representative Clement J. Zablocki
Representative Dante B. Fascell
Representative Jonathan B. Bingham
Representative Leo J. Ryan
Representative Helen S. Meyner
Representative Donald J. Pease
Representative John J. Cavanaugh
Representative William S. Broomfield
Representative Paul Findley
Representative Larry Winn, Jr.
Representative Shirley N. Pettis
Representative Benjamin A. Gilman
Representative J. Herbert Burke
Representative Christopher Dodd
Representative Del Clawson

His Excellency
Dr. Amir-Aslan Afshar
Grand Master of Ceremonies
Imperial Court

Although no Staff Members are to be included in the earlier events involving the U.S. Senators we believe it most important (from the standpoint of our shared Iranian-U.S. interests) to include the following in the events of January 14:

The Sergeant At Arms of the House of Representatives, Mr. Kenneth Harding;

the Staff Director of the House International Relations Committee, Mr. John J. Brady and

Chairman Zablocki's Executive Assistant, Mr. George R. Berdes.

Ambassador Sullivan and myself will accompany the group for the Audience and the luncheon.

With high esteem and warmest personal regards.

Sincerely,

Jack C. Miklos
Deputy Chief of Mission

PM:RAMartin:ag

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TAGS: PEPR, IR, US

SUBJECT: PRESIDENT'S TELEPHONE CALL TO SHAH

1. THE WHITE HOUSE SUNDAY AT 4 P.M. LOCAL TIME RELEASED THE FOLLOWING STATEMENT: QUOTE. THE PRESIDENT CALLED THE SHAH OF IRAN THIS MORNING AND DISCUSSED THE PRESENT SITUATION IN IRAN. THE PRESIDENT REAFFIRMED THE CLOSE AND FRIENDLY RELATIONSHIP BETWEEN IRAN AND THE UNITED STATES AND THE IMPORTANCE OF IRAN'S CONTINUED ALLIANCE WITH THE WEST. (NEW PARAGRAPH) THE PRESIDENT EXPRESSED HIS DEEP REGRET OVER THE LOSS OF LIFE AND HIS HOPE THAT THE VIOLENCE WOULD SOON BE ENDED. HE FURTHER EXPRESSED THE HOPE THAT THE MOVEMENT TOWARD POLITICAL LIBERALIZATION WOULD CONTINUE. UNQUOTE.

2. FYI, ON BACKGROUND WE ARE TELLING THE PRESS THAT THE PRESIDENT CALLED THE SHAH FROM CAMP DAVID BEFORE DEPARTING FOR GETTYSBURG FOR A SIGHTSEEING TRIP WITH PRIME MINISTER BEGIN AND PRESIDENT SADAT SUNDAY MORNING, AND THAT THE TELEPHONE CALL LASTED 10-15 MINUTES.

3. ADDRESSEES MAY USE THE FOREGOING AS APPROPRIATE IN CONTACTS WITH GOVERNMENT AND PRESS. CHRISTOPHER
ST

DEPARTMENT OF STATE

Washington, D.C. 20520

OFFICIAL-INFORMAL
SECRET-SENSITIVE

October 10, 1978

Rec'd 10/23

The Honorable
William H. Sullivan
American Ambassador
Tehran

Dear Mr. Ambassador:

The author of the enclosure is updating the CIA psychological profile of the Shah and would like your help with answers to the listed questions and any other thoughts you may wish to volunteer. Should you wish, you may reply through SRF channels or through me. (If the former, I'd be interested in your answers so perhaps you could ask them to pass.)

Jerry Post will also be doing the analysis of the Crown Prince and we are setting things up for late October.

Sincerely,

Henry Precht

Enclosure:

List of Questions.

SECRET-SENSITIVE
GDS

6 October 1978

In support of our assessment of the Shah's current mental state and likely reaction, it would be helpful if the Ambassador could address himself to the questions:

1. Concerning the Shah's episodes of depression, were they ever so severe as to significantly interfere with his leadership? Did they seem disproportionate to the circumstances or were rather appropriate discouragement or frustration in the face of severe political problems? What happens to his decisionmaking at these times--does he ever become paralyzed with indecision, tend to delegate to others decisions he might otherwise make himself?

2. How does he pull himself out of these downs? What is his decisionmaking like after a down period--is he exaggeratedly decisive?

3. Describe the role of his wife, the degree to which he relies on her.

4. Comments on his time frame would be helpful. In terms of his plan to turn a stable modern Iran over to his son, are there indications from him that he is slipping his schedule, feeling he will have to remain longer in office in order to accomplish his goals?

5. Any suggestions of increased external military support demands during this period of internal stress.

6. Although the Shah has indicated many of his liberalizing policies are responsive to US initiatives, his goals for a more democratic society have been well delineated for many years. Please discuss your views of the balance between Shah's own concepts he hopes to implement and reluctant compliance to external pressure.

Jerrold M. Post, M.D.
C/CAPPB/OSI

CONFIDENTIAL

COUNTRY TEAM MINUTES

September 27, 1978

The Ambassador opened the meeting by noting that we have had a particularly active week. Ambassadors Atherton and Sullivan had an audience with the Shah, during which they discussed the Camp David Framework for Peace. The Shah supports privately the Egyptian-Israeli agreement because His Majesty prefers vastly Sadat's presidency to that of a radical government in Egypt. The Soviets have reacted sharply to the accords causing a great deal of concern in the Arab World.

The Tehran International Trade Fair continues. Mr. Westley reported that more viewers were allowed in this week than last, but security is still tight. American companies report mixed results; some U.S. exhibitors seem to be doing quite well.

The Bazaar was partially closed yesterday in protest over Ayatollah Khomeini's house arrest in Iraq. Since the authorities have removed the soldiers from Khomeini's home we expect the Bazaar to resume business as usual. Most tanks have been removed from Tehran's streets.

Ali Qoli Ardalan assumes the post of Minister of the Court today. Mr. Ardalan promptly blasted the Royal Family for involvement in private enterprises. This is an indication that the Court Ministry will have diminished significance and the Cabinet increased importance in the new government. The Ambassador then noted that the Ministry of Justice is investigating the petrochemical industry, of which Ardalan's nephew is a prominent member.

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The Ambassador, along with the respective Section Chiefs, has called on two ministers this past week: Agriculture and Information. The current leadership in the Ministry of Agriculture is quite impressive and is a big improvement over previous administrations.

Mr. Shellenberger noted that the Hal Saunder's interview can probably be shown on local television. ICA is also preparing a "Q&A" style flyer for Iranian students intending to study in the U.S. Mr. Shellenberger also said that ICA is still trying to set up the deKooning exhibit.

General Gast attended the 55th military graduation ceremonies yesterday. The Shah also attended.

His Majesty expressed concern over the MIG exercises to General Rabii. The Ambassador noted that some Soviets believe the recent trouble in Iran both prevents Iranian interference in Afghanistan and stops the Iranians from aiding Somalia. Rabii also told General Gast that the Iranian military is concerned about their budget since new funds will come from Cabinet authorization.

Some discussion of Harry Hutchins and Brown and Root's project problems followed. Chah Bahar is having supply and personnel problems which will affect their project completion date, as well as their budget.

Mr. Lambrakis reported that some foundations (presumably not the Pahlavi Foundation) are under investigation. Mr Lambrakis also said that National University was beset with problems yesterday, concerning examinations.

Mr. Greene's recent conversation with General Toufanian yielded some interesting information: it seems the Shah's favorite comment of late is "economize, reduce, and stretch out." General Toufanian also told Mr. Greene that there will probably be no major new FMS cases in the next U.S. fiscal year.

ICA reported that it is setting up more student counseling facilities at the Abbasabad Cultural Center. Registration for English courses continues at a high level despite cancellation of the Ezzam Test.

Mr. Dedich of tennis and DEA fame will be attending a regional conference in Cairo and will continue on to Frankfurt and Zurich.

S/A:LTracy :sw
10/2/78

CONFIDENTIAL

Cons

COUNTRY TEAM MEETING

October 25, 1978

The Ambassador opened the meeting with a discussion of the Embassy's numerous visitors. Codel Solarz has come and gone; Deputy Secretary of Defense Duncan and party have left Tehran but are still in country; Under Secretary Cooper and Deputy Assistant Secretary Miklos arrive within the next few days. Ambassador Sullivan then introduced one visitor, Regional Security Supervisor Kelly, who attended the Country Team Meeting.

Ambassador Sullivan saw the Shah a couple of times since our last Country Team Meeting. The Shah seemed preoccupied with recent disturbances, particularly with the NIOC strikes. The Ambassador and Richard Bash will meet with John Orange, the head of the consortium. Hopefully this meeting will yield a better understanding of the nature of the oil strike.

Tomorrow is the Shah's birthday; this could turn out to be a volatile day. Ambassador Sullivan recommended that Americans keep a low profile. The Iranian military is somewhat uptight that stricter measure have not been taken to deal with the demonstrations. The Shah disagrees: first because the perpetrators of the disturbances cannot be easily isolated; second because the results of strong-arm tactics are uncertain at best. The Ambassador commented that the situation definitely calls for more leadership.

Ambassador Sullivan then discussed some other short topics:

Under Secretary Cooper arrives Saturday evening. Mr. Cooper will have a luncheon meeting with Mr. Yeganeh. Messrs. Mills and Taylor will accompany Mr. Cooper during his meeting with Mr. Ansary.

The release date on King Hussein's Questions & Answers has been postponed until the finish of the Israeli cabinet session. Mr. Shellenberger will see that our copies are kept from public consumption until then.

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POL will handle our three early November visitors from State: Messrs. Griffin, Clement, and Cohen.

Mayor Bradley of Los Angeles has decided not to participate in the Tehran Urban Affairs program. The whole seminar may be postponed.

The Ambassador asked Ms. Dearsman about the Tax Bill. Ms. Dearsman explained that the Bill is actually three separate bills. The new law has generated considerable interest in the American community, particularly the provision on hardship areas.

Each Section Chief gave a report of major activities in their areas:

Mr. Shellenberger reported on his visit to Isfahan with Mr. Curran. The educational system in Isfahan has its share of difficulties; most schools are closed due to demonstrations and top administrators are uneasy.

Mr. John Mills received a call from DuPont concerning the possible outcome of the GOI's refusal to provide DuPont with either loans or tariff protection. Mr. Mills also noted that he and Mr. Taylor met with the Minister of Plans. The Minister reported three notable items: 1) The wage increases mean a rise in both this year's and next year's budget; 2) A sixth five-year plan will be produced; 3) The agencies who have made strike settlements above the guidelines will have to roll back their contracts.

Mr. Adler noted that the U.S. participation in the Tabas fault survey received no publicity.

LT:sw

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COUNTRY TEAM MEETING

November 1, 1978

The Ambassador began the meeting with a review of the week's events. This has been a very turbulent few days with Sunday, October 29, the worst. There were hordes of uncontroled demonstrators on the streets; only a few pro-Government demonstrations took place, but these were of a dilettante nature. President Carter received the Crown Prince yesterday and made a strong statement in support of the Shah. If the reception to Dr. Owen's statement is any precedent,we can soon expect a strong reaction to the President's ideas. Ambassadors Parsons and Sullivan continued their talks with the Shah. The Shah has more concrete political views now, but there are no heroes in the Majlis ready to stand up and support the Sharif-Emmami Government. The Prime Minister is getting very tired and depressed, and few people in the Government are making decisions.

The economic sector is also full of uncertainties. Under Secretary Cooper visited with Minister for Economic & Financial Affairs Yeganeh. Mr. Yeganeh is in the hospital, having suffered through pneumonia or a heart attack. The strikes continue, the most important of which is the oil strike. The Ambassador has seen Mr. ANasary a couple of times this week. Oil production has decreased significantly, but George Link told Ambassador Sullivan that 90% of the workers are ready to return to the fields. The effectiveness of the other 10%, who are trying to prevent work resumption, has been somewhat undermined by the presence of troops.

A Majlis deputy has attacked the new Education Minister, Mr. Ganji, for allegedly sending 321,000,000 rials out of the country. The Ambassador noted that this attack further undermines the possibilities for reopening the universities.

Mr. John Mills reported on Under Secretary Cooper's recent visit: Dr. Cooper now has a good idea of what is happening to Iran and the Iranians now have a better view of what is happening to the dollar.

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Mr. Shellenberger paid a visit to Tehran University yesterday. He found thousands and thousands of starry-eyed youths attending sit-ins, lining up to pray at the mosque,and chanting slogans and poems. At the University Mr. Shellenberger visited an exhibit consisting of detailed canvases depicting the regime's excesses and privations. Nearly half the women were wearing chadors. Although Mr. Shellenberger and his companion were probably the only two foreigners on campus, he detected no anti-foreign sentiment.

General Gast reported that the situation vis-a-vis Iranian military payments to the U.S. is grave. Armish/Maag has been asked to decrease the number of visitors since the Armed Forces are suffering from a budget crunch. They particularly feel the Program Management Reviews are very expensive.

Mr. Lambrakis noted that the political difficulties continue. There have been many teach-ins and sit-ins reported, but the Communists are evidently a very small portion of the speakers' list. About six provinces are now governorless.

Mr. Dedich reported that the situation in Isfahan has been resolved and that Mr. McGaffey will submit a report soon.

Ms. Dearsman said that the President still has not signed the Tax Bill(s), but IRS has Committee print copies. This creates a certain amount of confusion because the filing deadline is only two weeks hence.

LT:sw

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RUSBLK/AMEMBASSY KABUL 6196
RUEHDT/USMISSION USUN NEW YORK 3355
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RUSNAAA/USCINCEUR VAIHINGEN GE
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ZEI
S E C R E T SECTION 1 OF 2 STATE 284284/1

LIMDIS

E.O. 11652: GDS

TAGS: PINS, IR, US, PINT

SUBJECT: USG VIEW OF SITUATION IN IRAN

REF: STATE 283191 AND PREVIOUS SITREPS

1. EMBASSIES ARE AUTHORIZED TO DRAW ON FOLLOWING INFORMATION IN BRIEFING HOST GOVERNMENTS AT APPROPRIATELY HIGH LEVEL ON HOW US VIEWS PRESENT SITUATION IN IRAN.

2. AS IS APPARENT FROM MEDIA SOURCES, INTERNAL STABILITY IN IRAN CAME UNDER UNUSUALLY SEVERE PRESSURE, NOVEMBER 4-5. EXTENSIVE RIOTS AND DEMONSTRATIONS IN TEHRAN CAUSED MANY CASUALTIES AND WIDESPREAD DESTRUCTION TO PUBLIC AND PRIVATE PROPERTY. LATE ON NOVEMBER 5, PRIME MINISTER SHARIF-EMAMI AND HIS GOVERNMENT RESIGNED.

3. EARLY ON NOVEMBER 6, THE SHAH ANNOUNCED IN SPEECH TO THE IRANIAN NATION THAT HE WAS NAMING A MILITARY GOVERNMENT TO TAKE OFFICE AT ONCE. HE MADE CLEAR THIS WOULD BE A CARETAKER GOVERNMENT CHARGED WITH PREVENTING CHAOS AND ASSERTING THE GOVERNMENT'S AUTHORITY. THE SHAH TOOK THIS ACTION BECAUSE IT HAD PROVEN IMPOSSIBLE TO GET REPRESENTATIVES OF RESPONSIBLE OPPOSITION ELEMENTS TO JOIN IN A COALITION GOVERNMENT. HE PROMISED THAT AS SOON AS SECURITY PERMITTED, HE WOULD APPOINT A NATIONAL GOVERNMENT TO ESTABLISH FUNDAMENTAL FREEDOMS AND TO HOLD FREE

4. THE SECURITY SITUATION SINCE THEN HAS IMPROVED, ALTHOUGH ISOLATED INCIDENTS CONTINUE.

5. THE USG MAINTAINS ITS STRONG BACKING OF THE SHAH'S EFFORTS TO RESTORE ORDER AND, AS SOON AS CONDITIONS PERMIT, TO CONTINUE HIS LIBERALIZATION AND DEVELOPMENT PROGRAMS FOR THE COUNTRY. THIS WAS REAFFIRMED BY THE DEPARTMENT OF STATE PRESS SPOKESMAN ON NOVEMBER 6, IN THE FOLLOWING STATEMENT:

"WE SUPPORT THE SHAH IN HIS DECISION. THE SHAH MOVED TO APPOINT A MILITARY GOVERNMENT UNDER HIS AUTHORITY WHEN IT BECAME APPARENT THAT ANOTHER CIVILIAN GOVERNMENT COULD NOT BE FORMED TO RESTORE THE PUBLIC ORDER ESSENTIAL TO MOVING TOWARD ELECTIONS.

FOR SOME TIME PREVIOUS TO HIS DECISION, HE ACTIVELY EXPLORED THE POSSIBILITY OF A NEW CIVILIAN GOVERNMENT, INCLUDING ONE THAT WOULD BE JOINED BY MEMBERS OF THE OPPOSITION. WHEN THOSE PERSONS REFUSED TO JOIN IN A COALITION CABINET, AND THERE APPEARED TO BE NO ALTERNATIVE, THE SHAH ASKED THE MILITARY TO FORM A CABINET.

THE SHAH HAS EMPHASIZED THAT MILITARY RULE IS ONLY
TEMPORARY, AND HE INTENDS AS RAPIDLY AS POSSIBLE
TO MOVE THE COUNTRY TOWARD FREE ELECTIONS AND A
NEW CIVILIAN-DIRECTED GOVERNMENT.

6. IN OUR ESTIMATION, THE SHAH HAS SHOWN EVERY AWARE-
NESS OF THE LEGITIMATE GRIEVANCES OF THE IRANIAN PEOPLE
AS EXPRESSED BY THEM OVER THE PAST WEEKS AND MONTHS.
HE HAS COMMITTED HIMSELF TO WORKING TOWARD GREATER
POPULAR POLITICAL PARTICIPATION, ECONOMIC BENEFITS FOR
THE POPULATION, AND IMPROVED SOCIAL AMENITIES. IN-
CREASINGLY DURING THE LATE SUMMER AND FALL, HOWEVER
WAVES OF DISORDERS AND WORK STOPPAGES HAVE HAMPERED THE
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RUEHDM/AMEMBASSY DAMASCUS 1615
RUQMOD/AMEMBASSY DOHA 7333
RUSRQD/AMEMBASSY ISLAMABAD 2340
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RUQMKM/AMEMBASSY KHARTOUM 9628
RUQMKW/AMEMBASSY KUWAIT 4377
RUQMAM/AMEMBASSY MANAMA 2363
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RUSBAF/AMEMBASSY NEW DELPI 4185
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RUEFCR/USINT BAGHDAD 8753
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RUSBLK/AMEMBASSY KABUL 6197
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S E C R E T FINAL SECTION OF 2 STATE 284064/2

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VERY FUNCTIONING OF GOVERNMENT. WE HOPE THAT THE FORMATION OF THE NEW TEMPORARY GOVERNMENT ANNOUNCED ON NOVEMBER [illegible] WILL FACILITATE THE RETURN OF AN ORDERED ATMOSPHERE ESSENTIAL TO THE BUSINESS OF GOVERNMENT IN ANY SOCIETY. THIS IS PARTICULARLY TRUE IN THE SITUATION THAT EXISTS IN IRAN, WHERE THE SHAH WAS PLEDGED PUBLICLY

TO CORRECT MISTAKES OF THE PAST, TO FIGHT CORRUPTION AND INJUSTICES, AND TO FORM A NATIONAL GOVERNMENT TO CARRY OUT ELECTIONS AS SOON AS CONDITIONS PERMIT. WE ARE CONFIDENT THE IRANIAN PEOPLE AND THEIR LEADERS CAN WORK IN UNITY TO ACHIEVE THESE GOALS.

7. OBVIOUSLY THERE IS AN IMPORTANT ECONOMIC SIDE TO ALL THIS. THE STRIKES IN THE OIL SECTOR CAUSED SERIOUS PRODUCTION AND EXPORT SHORTAGES IN THE PAST TWO WEEKS, AND IN RECENT DAYS THE OUTPUT HAS AVERAGED NO MORE THAN 25 PERCENT OF NORMAL. WE HOPE THAT ALL THOSE WHO PLAY KEY ROLES IN THE IRANIAN ECONOMY WILL JOIN IN RESOLVING THEIR DIFFERENCES SO THAT THE COMMON INTEREST MAY BE ADVANCED.

8. WE ARE CONCERNED LEST THIS INSTABILITY SPREAD TO THE DETRIMENT OF REGIONAL SECURITY. THE US HAS CONSISTENTLY SUPPORTED THE SHAH'S EFFORTS TO PROVIDE STEADY LEADERSHIP FOR IRAN IN THIS CRUCIAL PERIOD. WE BELIEVE HIS DECISIONS TO PROMOTE POPULAR PARTICIPATION IN GOVERNMENT ARE COURAGEOUS, AND THAT THEY DESERVE THE SUPPORT OF ALL.

9. YOU SHOULD IMPRESS ON YOUR HOSTS OUR DETERMINATION TO USE OUR FULL INFLUENCE TO PROTECT VITAL WESTERN INTERESTS. AT THIS JUNCTURE, THIS MEANS FIRM SUPPORT FOR THE SHAH'S EFFORTS TO PULL HIS COUNTRY TOGETHER AND LAY THE BASIS FOR FUTURE STABILITY. VANCE

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TO AMEMBASSY TEHRAN PRIORITY 7665 / 30 Oct 78
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C O N F I D E N T I A L

LIMITED OFFICIAL USE STATE 275514

E.O. 11652: N/A

TAGS: OTPA, IR

SUBJECT: ALLIS-CHALMERS CHAIRMAN VISITING TEHRAN

1. DAVID C. SCOTT, CHAIRMAN OF ALLIS-CHALMERS AND PARTY WILL BE VISITING TEHRAN NOVEMBER 23-26, STAYING AT HILTON. SCOTT HAS REQUESTED A MEETING WITH AMBASSADOR SULLIVAN, POSSIBLY LATE AFTERNOON ON THURSDAY, NOVEMBER 23 (HE ARRIVES TEHRAN THAT DAY AT 2 P.M. FROM ISRAEL). SCOTT HAS AUDIENCE WITH SHAH AT 10:45 A.M. NOVEMBER 25, AND WILL DEPART TEHRAN MORNING 26TH. FYI: ARDESHIR ZAHEDI IS SETTING UP DINNER FOR SCOTT AND MAY HOST IT HIMSELF. END FYI.

2. WOULD APPRECIATE WORD WHETHER AMBASSADOR ALSO SEE SCOTT AT SOME POINT DURING HIS VISIT AND SPECIFIC TIME, IF POSSIBLE. BY DIRECTION OF SECRETARY VANCE

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MEMORANDUM TO THE FILES

FROM: ECON/COM - Barbara L. Schell

SUBJECT: Audience with Shah, David C. Scott, Allis Chalmers

DISTRIBUTION: AMB, DCM, POL, ECON, NEA/IRN

David C. Scott, Chairman of the Board, Chief Executive and President of Allis Chalmers Corp., was received by the Shah on Saturday, November 25, 1978, at 11:00 a.m. The following description was provided by Mr. Don Donner, the Iran representative of Allis Chalmers who accompanied Scott to the palace but was not present during the audience.

Mr. Scott found the Shah in very low spirits. He perked up somewhat when Scott complimented his children, and Ambassador Zahedi. Scott offered sympathy to the Shah and indicated that American businessmen generally are firm in their support for him. The Shah bemoaned the fact that he is receiving many expressions of support, but that this support tends to be verbal, and of little help to him. Scott (presumably in an effort to demonstrate that he was in a position to offer more than mere verbal support) described his recent visit to Argentina, and told the Shah that he had succeeded in obtaining a reversal of a decision to disapprove an application for ExIm loans for an Allis Chalmers project in Argentina because of human rights violations.

Scott then went on to describe Allis Chalmers' proposed joint venture for the production of mining equipment in Iran (see Airgram A-154. He indicated that he had sufficient confidence in Iran to wish to proceed immediately with the project. At this point, there was a long period of silence on the part of the Shah during which tears welled up in his eyes, and Scott's discomfort grew. Finally, the Shah asked Scott what he thought had gone wrong in Iran. Scott replied that he was not capable of replying, but that American businessmen supported the monarch. Contrary to usual protocol, Scott rose first, the Shah put his arm around him and thanked him for the gift, something which is apparently not normally done.

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Following the audience, a Ministry of Court official whom Scott knows commented that the Shah's spirits had been low, and that he had no real friends in whom he could confide. He suggested to Scott, that perhaps it would be beneficial if Zahedi would visit Iran more often, since he is the only one who could play the role of friend and confident, something the Shah sorely needs. Scott was asked to brief Zahedi when he returns to the United States.

ECON/COM:BLSchell:ccm
12/4/78

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C O N F I D E N T I A L STATE 035725

E.O. 12065 GDS 2/7/85 (CLEMENT, C.)

TAGS: PINT, PROP, IR

SUBJECT: (U) ALLEGED TAPE RECORDING OF SHAH SPEAKING TO ARMY OFFICERS

REF: TEHRAN 192

1. OPINIONS OF RESPONSIBLE "VOICE EXPERTS" THAT WE ARE AWARE OF CONCERNING AUTHENTICITY OF TAPE ARE CONTRADICTORY AND INCONCLUSIVE. SOME MAINTAIN THAT IT IS AUTHENTIC, OTHER EXPERT CLAIMS THAT IT IS NOT.

2. USG DOES NOT INTEND TO PURSUE MATTER FURTHER AND WILL TAKE POSITION, IF ASKED, THAT "EXPERTS" DISAGREE AND THAT WE HAVE NO REASON TO CONCLUDE THAT TAPE IS AUTHENTIC. VANCE
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RUDKBT/AMEMBASSY RABAT 0375
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DRFTD: POL:GBLAMBRAKIS
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E.O. 12065: RDS-4 2-10-99 (LAMBRAKIS, G. B.) OR-P
TAGS: PINS, PGOV, IR
SUBJECT:(C)REPORT OF SHAH'S PLAN TO RETURN

Vic
This is Eqbal
Cyrus agrees

1. (C - ENTIRE TEXT)

SUMMARY: ANOTHER ERSTWHILE LOYALIST, WHO SUPPORTS BAKHTIAR, EXPRESSES ALARM AT DETERIORATING LAW AND ORDER SITUATION AND BELIEVES ONLY ACCEPTABLE SOLUTION IS THAT SHAH ANNOUNCE HIS ABDICATION. HE FEARS SHAH'S RETURN TO IRAN IN NEAR FUTURE. HE SUGGESTS POSSIBLE "VIGILANTE" ARMED ACTION BY CONSERVATIVES IF TERRORIST GROUPS AND COMMUNISTS CONTINUE TO OPERATE WITHOUT SANCTIONS FROM THE KHOMEINI MOVEMENT. END SUMMARY.

2. SOURCE MANSOUR EQBAL, WHO IS NOT RPT NOT CONSISTENTLY RELIABLE, BUT WHO HAS GOOD ACCESS TOLD POL COUNSELOR RUMOR IS GOING AROUND LOYALIST CIRCLES THAT SHAH PLANS TO RETURN TO IRAN FEB 14. GEN NESHAT HAS FLOWN TO MOROCCO IN THIS CONNECTION. WE ARE PRETTY SURE THIS IS GARBLE OF REPORT THAT SHAH PLANS TO MOVE TO CAIRO ABOUT THAT DATE.

3. ONE REASON LOYALISTS CHOOSE TO BELIEVE SUCH A REPORT IS THEIR INCREASING ALARM OVER LAW AND ORDER SITUATION AND THEIR OWN PROSPECTS. EQBAL, WHO PARTICIPATED IN PRO-BAKHTIAR "CONSTITUTIONALIST" DEMONSTRATION YESTERDAY, FEB 10, WAS APPARENTLY SHOCKED THAT GROUP WAS RAZZED AND THREATENED BY YOUNG TOUGHS ON DEPARTURE FROM AMJADIEH STADIUM, AND MANY PARKED CARS HAD THEIR TIRES SLASHED. HIS FRIEND AND NEIGHBOR, ONE ENGINEER MALLOUL, HAS JUST FLED WITH HIS FAMILY TO ARAK AFTER HAVING HIS NEW CAR BLOWN UP TWO NIGHTS AGO AND WARNING ISSUED THAT IF HE PERSISTED IN PRO-BAKHTIAR STATEMENTS (HE HAD APPARENTLY WRITTEN LETTER TO A NEWSPAPER), HE AND HIS FAMILY WOULD BE KILLED. WHERE IS FREE SPEECH, EQBAL ASKS.

4. EQBAL HAD THE REPORT VIA DR. HEJAZI THAT SHARIAT-MADARI'S LETTER OF GREETINGS TO KHOMEINI ON LATTER'S ARRIVAL OMITTED ANY REFERENCE TO KHOMEINI'S PREPONDERANT POSITION IN ISLAMIC MOVEMENT OR ANY APPELLATION OF "IMAM". AS A RESULT, A COLLECTION OF SHARIAT-MADARI'S BOOKS FROM ALL OVER WERE DUMPED ON HIS DOORSTEP RECENTLY. HE CONTINUES TO FEAR FOR HIS LIFE AND KEEPS SILENT.

5. EQBAL HAS REACHED THE CONCLUSION THAT ONLY WAY TO SAVE SITUATION IS FOR SHAH TO ANNOUNCE HIS ABDICATION. HE CAN NAME HIS SON AS SUCCESSOR IF HE WISHES. WITHOUT SUCH A STEP, EQBAL FEARS BAKHTIAR'S SPIRIT AND POSITION WILL

251

ERODE. PEOPLE ARE INCREASINGLY FOR HIM BUT BEING TERRORIZED BY THE UNWASHED MOBS WHO HAVE SUFFERED A GREAT DEAL UNDER SHAH'S RULE AND ARE ACTING EMOTIONALLY, AS EQBAL AND HIS FRIENDS SEE IT. IF SITUATION RUNS ON LIKE THIS MUCH LONGEPEOPLE WILL COME OUT ON THE STREETS WITH THEIR WEAPONS--LIKE LEBANON. HE WOULD BE WILLING TELL THIS TO THE SHAH IF HE CAN FIX UP A MEETING SOMEHOW, THROUGH ZAHEDI. (COMMENT: ABDICATION IS MORE FREQUENTLY AND OPENLY BEING MENTIONED BY LOYALISTS WITH EVEN BETTER CREDENTIALS THAN EQBAL, SEE PREVIOUS EMBASSY REPORTING.)

7. EQBAL'S FINAL WORD WAS TO HINT THAT ASSASSINATION OF KHOMEINI IS BEGINNING TO APPEAL TO MANY AS PART OF A SOLUTION. HE EXPRESSED PERSONAL UNDERSTANDING OF GREAT PROBLEMS THAT WOULD CAUSE BUT SUGGESTED EVEN SOME IN THE NON-KHOMEINI RELIGIOUS CIRCLES MIGHT NOT BE AVERSE TO SEEING HIS EXTREMIST VOICE DISAPPEAR FROM THE SCENE.

8. FINALLY, EQBAL REFERRED TO PUBLISHED STATEMENT BY COMMUNIST PARTY ASKING KHOMEINI WHAT THEIR PLACE WAS IN HIS MOVEMENT AND THREATENING TO "FIGHT" IF HIS ANSWER IS NOT SATISFACTORY. WHILE ADMITTING SUCH OPEN ACTIVITY BY THE COMMUNISTS IS BETTER THAN CRYPTO ACTIVISM, EQBAL OPINED IT HEIGHTENS THE FEARS OF MANY CONSERVATIVES AND MIGHT LEAD THEM TO THINK OF VIGILANTE ACTION AS THEIR ONLY DEFENSE.

9. COMMENT: A GREAT DEAL OF IMPORTANCE NEED NOT BE ATTACHED TO EQBAL AS A SOURCE. HOWEVER, HIS IDEAS HAVE A CERTAIN LOGIC WHICH IS APPEALING TO LOYALISTS AND OTHER CONSERVATIVES AS THEY SEE NO EXIT FROM PRESENT SITUATION WITHOUT A GREAT DEAL OF BLOODSHED. CONTINUING INSECURITY AND TERRORISM MIGHT PROVOKE MANY PEOPLE WHO ARE NOW KEEPING THEIR HEADS DOWN TO BECOME MORE ACTIVE EITHER POLITICALLY (IF THAT IS PERMITTED) OR IN TERMS OF COUNTER-TERRORISM ON THE STREETS. THIS IS NOT AN IMMEDIATE PROSPECT, BUT ONE WHICH WE SHOULD NOT DISCOUNT AS INSECURITY BRED BY DISTURBANCES CONTINUES. SULLIVAN
BT
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December 7, 1978

The Honorable William H. Sullivan
Ambassador
U.S. Embassy
Teheran, IRAN

Dear Mr. Sullivan:

In light of recent events in your area, it occurred to us that His Royal Highness might be interested in purchasing a large parcel of land (with home) in this country which is both centrally located, yet remote in its situation on our California Coast.

The enclosed brochure fully describes the property. If appropriate, please do inform His Royal Highness of its availability for purchase.

Most cordially,

Lynn Grabhorn
Associate

FOUNTAIN REALTY

LYNN GRABHORN
ASSOCIATE

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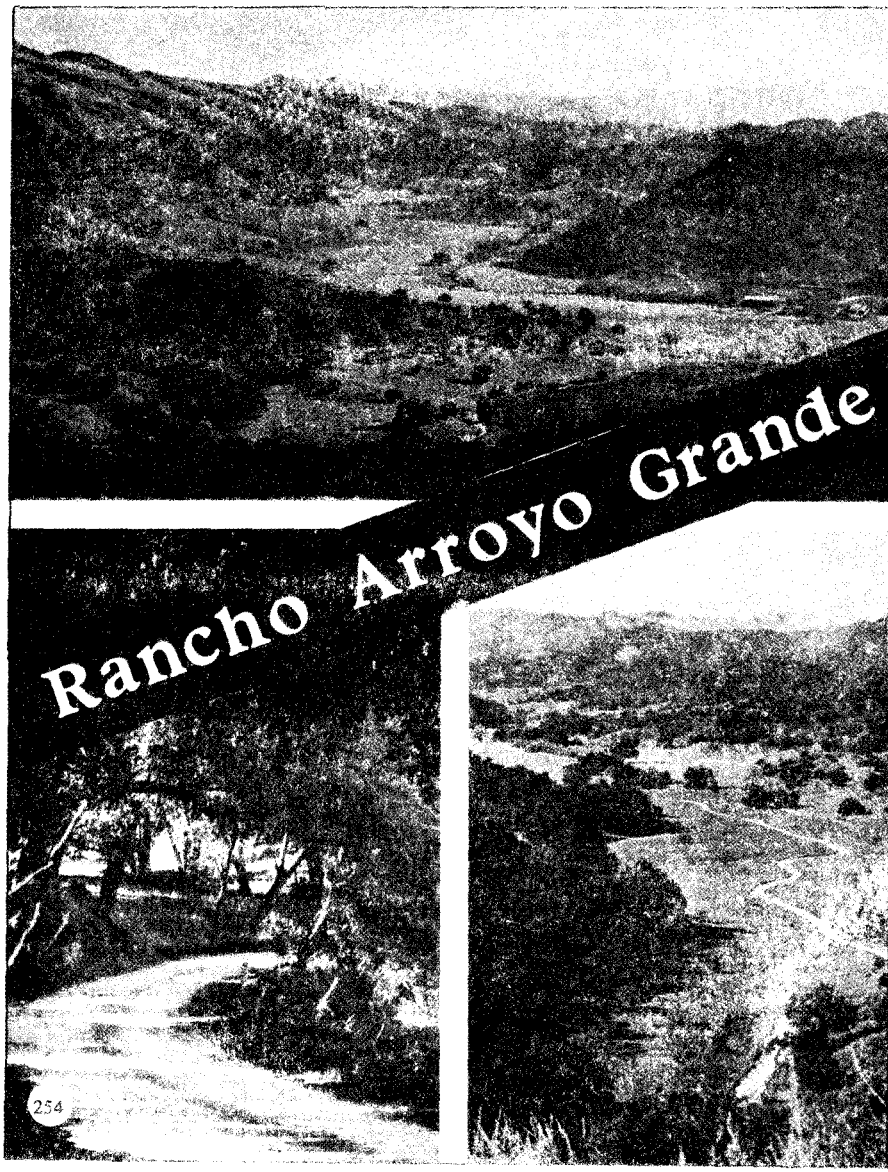
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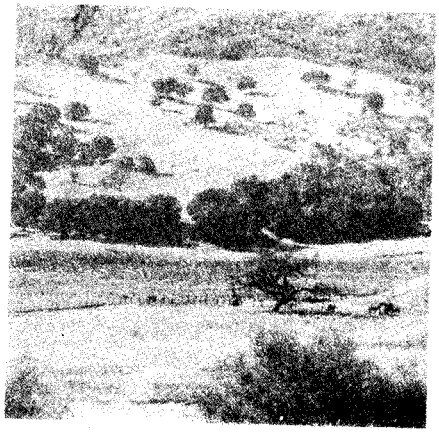
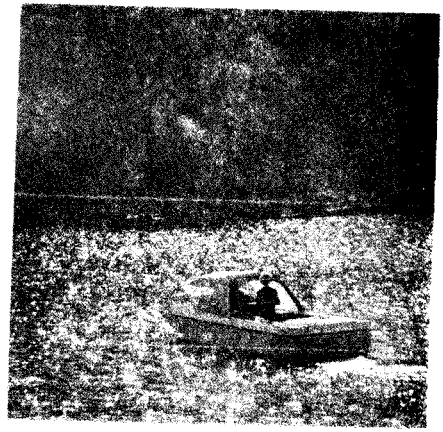




RANCHO ARROYO GRANDE

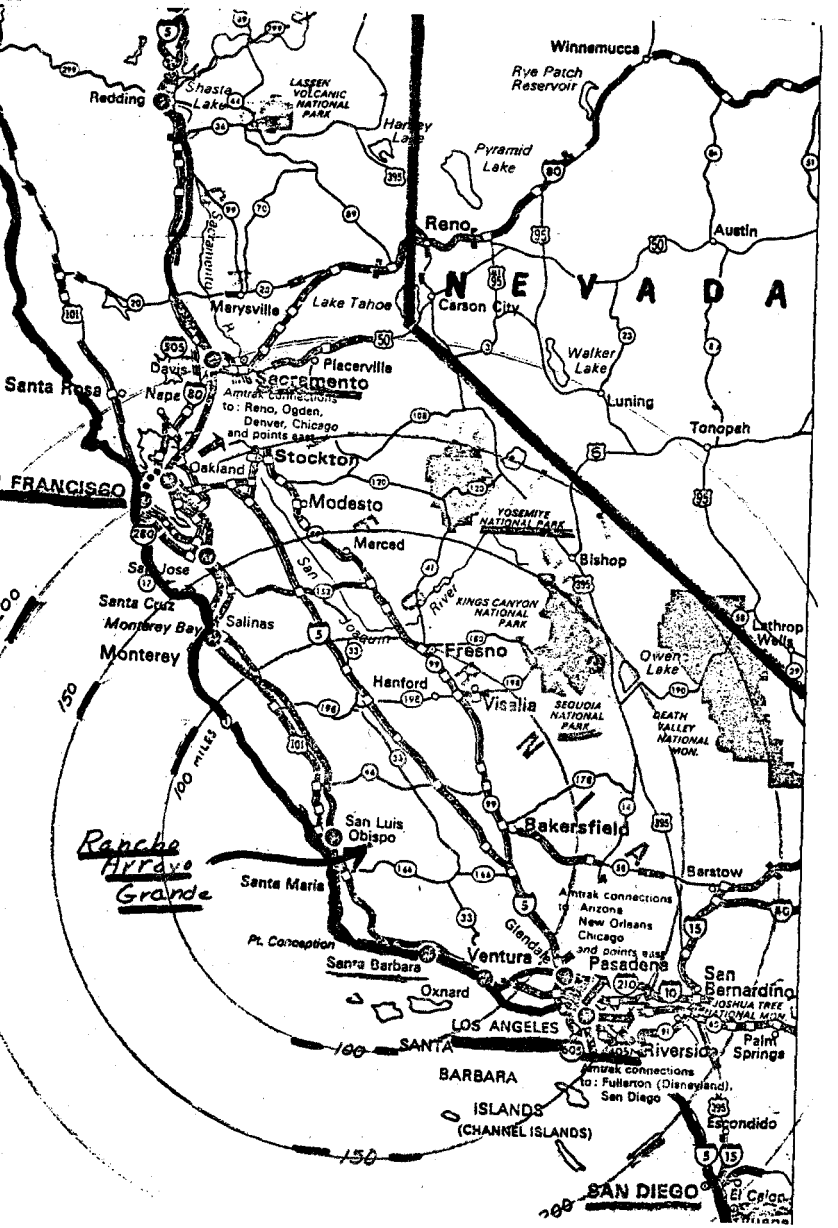
Arroyo Grande
San Luis Obispo County
California

Encompassing over 9,700 acres near the shores of Lake Lopez and nestled between the Los Padres National Forest and the Pacific Ocean, this magnificient ranch holds a rich heritage of productive ranching since the days of the original Spanish Land Grants.

Rancho Arroyo Grande...one of the last great parcels of prime land on the central California coast.

Size:	9,750 acres
Price:	$5,500,000
Terms:	Min. 29% down, balance negotiable, or, all cash.

256


Winnemucca
Rye Patch Reservoir
Redding
Shasta Lake
LASSEN VOLCANIC NATIONAL PARK
Pyramid Lake
Reno
Austin
NEVADA
Marysville
Lake Tahoe
Carson City
Placerville
Walker Lake
Santa Rosa
Napa
Sacramento
Amtrak connections to: Reno, Ogden, Denver, Chicago and points east
Luning
Tonopah
Oakland
Stockton
FRANCISCO
Modesto
YOSEMITE NATIONAL PARK
Merced
Bishop
San Jose
Santa Cruz
Monterey Bay
Salinas
Monterey
RINGS CANYON NATIONAL PARK
Fresno
Lathrop Wells
Owens Lake
Hanford
Visalia
SEQUOIA NATIONAL PARK
DEATH VALLEY NATIONAL MON.
100 MILES
150
Rancho Arroyo Grande
San Luis Obispo
Bakersfield
Santa Maria
Amtrak connections to: Arizona New Orleans Chicago and points east
Barstow
Pt. Conception
Santa Barbara
Ventura
Pasadena
San Bernardino
Oxnard
JOSHUA TREE NATIONAL MON.
LOS ANGELES
Riverside
Palm Springs
100
SANTA BARBARA ISLANDS (CHANNEL ISLANDS)
Amtrak connections to: Fullerton (Disneyland), San Diego
Escondido
150
SAN DIEGO
El Cajon

RANCHO ARROYO GRANDE, 9,750 acres, is one of California's land grant ranchos ideally located half way between Los Angeles and San Francisco, a little over 3 freeway hours from each, and about 10 miles inland from beaches, boat harbors, and a number of small communities -- Santa Maria, San Luis Obispo, Avila Beach, Pismo Beach, etc. This is still within the narrow strip of mild coastal climate and good rainfall, before the first range of hills.

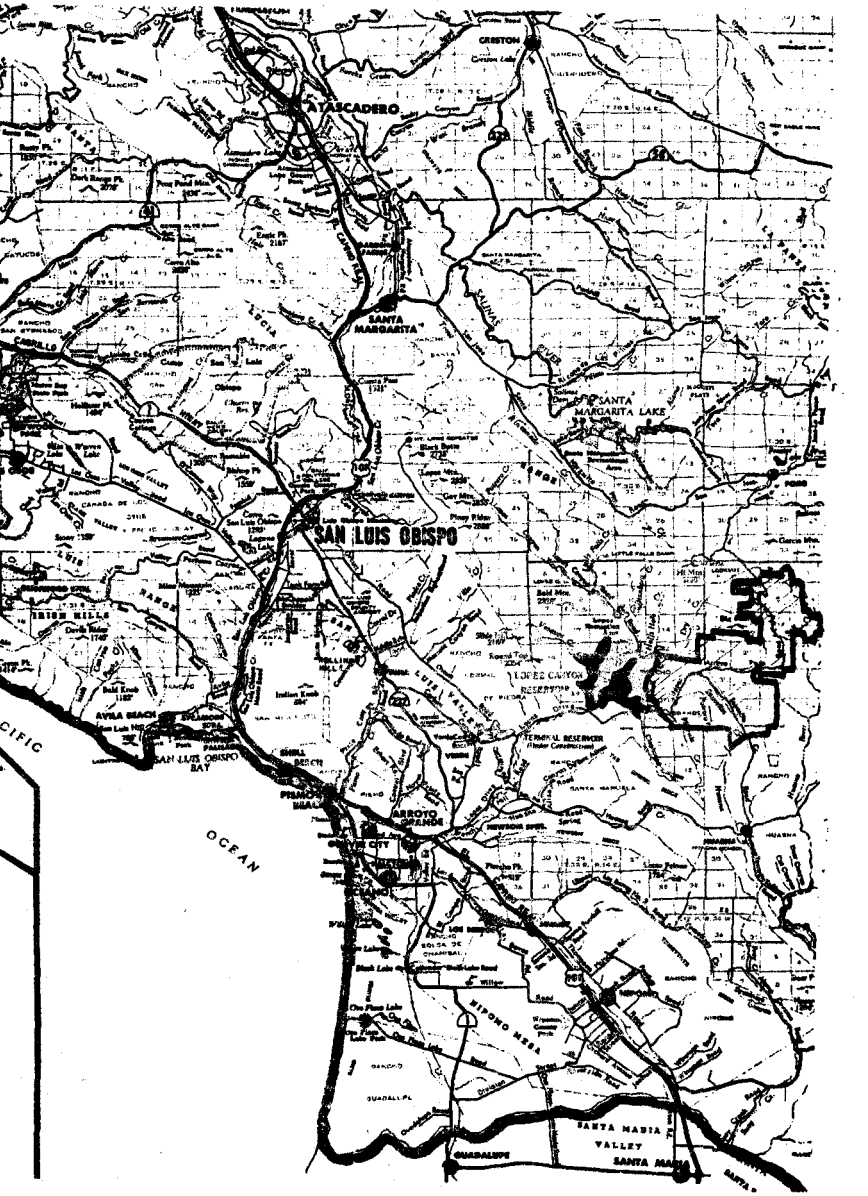
Present agricultural use includes grazing of up to 1,500 cattle (leased) but with main emphasis on farming of 500 to 2,000 acres of the valley lands in winter grain crops (oats, barley, wheat) and summer bean crops (garbanzo, pink). The climate is excellent for many other crops, such as tomatoes, peppers, other vegetables, flowers, vineyards, almond and walnut groves, apples, some avocado varieties, or citrus, all of which are raised in the vicinity. There are several small all-year streams originating on and flowing thru the property, from which over 1,000 acre feet per year could be taken by riparian right, for irrigation use. This resource has not yet been used.

The ranch adjoins on the north Los Padres National Forest, proposed as a wilderness area, and on the west the 4,000 acre Lopez Lake Recreation Area, created in 1969 and developed for varied camping, fishing, boating, swimming, etc., thru an 18 million dollar bond issue. It is the only California recreational lake so near the beaches.

Those parts of the ranch adjoining the Lopez area are designated "recreational," and there have been studies and plans toward developing there private Resort Ranch facilities (equestrian, tennis, swimming, boat storage, lodge, cottages, campsites) for a member/owner group numbering up to several hundred or more, who could also share ownership of the undivided and centrally managed farming and ranching operation. These plans are still open to further investigation.

The value of RANCHO ARROYO GRANDE was M.A.I. appraised, by a potential buyer, at $4,020,000 in 1972, leading to the $5,500,000 figure for the end of 1978. That amounts to $564/acre. The Department of Agriculture reported in 1977 that California's agricultural lands are averaging 14% per year value increase.

The Rancho's manager has lived and worked on the property for many years, and it is probable he would be happy to stay in that capacity.


ATASCADERO
SANTA MARGARITA
SAN LUIS OBISPO
SANTA MARGARITA LAKE
LOPEZ CANYON RESERVOIR
TERRACE HILLS
AVILA BEACH
SAN LUIS OBISPO BAY
PISMO BEACH
ARROYO GRANDE
NIPOMO MESA
SANTA MARIA VALLEY
GUADALUPE
OCEAN

The ranch entrance is eight miles northeast of the City of Arroyo Grande, fifteen miles southeast of the City of San Luis Obispo, twenty miles north of the City of Santa Maria, and ten miles from the Pacific Ocean at Pismo Beach State Park.

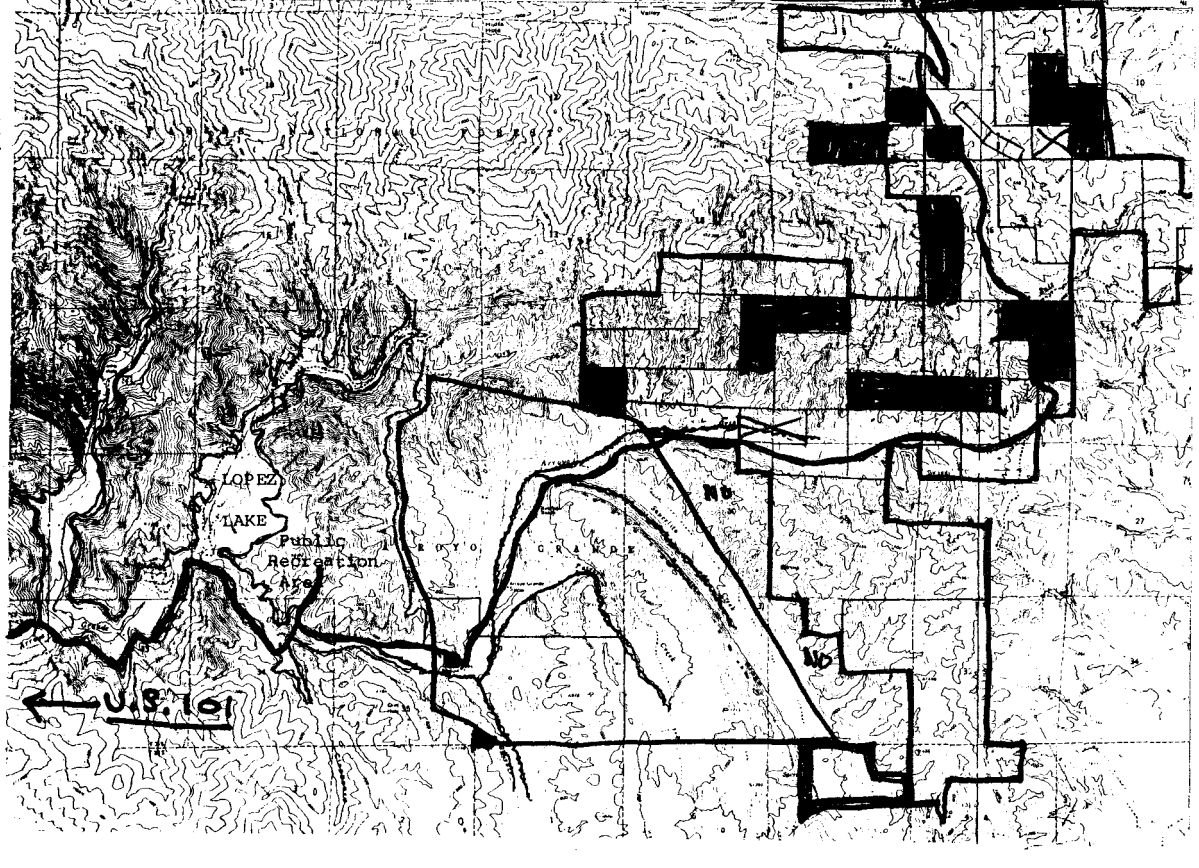
Bounded by the 4500 acre Lopez Lake Recreational Park on the west, and by the 193,000 acre Los Padres National Forest on the north and east, the Rancho comprises a uniquely secluded network of valleys, streams, and foothills offering unusual opportunity for recreational development.

ACCESS: Access is provided from U.S. Highway 101, via a newly expanded level, high-speed county road. The Rancho is 2½ hours drive from Bakersfield or Fresno, 3 hours from Los Angeles, and 4 hours from San Francisco. A total population of almost 15,000,000 people reside within a four hour drive.

LOPEZ LAKE: This major recreational development borders the property for more than 3 miles. The lake created by the $16,000,000 Lopez Dam has a surface area of 940 acres, and a shoreline of 22 miles. Facilities are provided for swimming, water skiing, fishing, boating, camping and riding. The park is set up to accommodate 4,000 persons a day, and visitor days are estimated at 660,000 annually. RANCHO ARROYO GRANDE is the closest privately-held land to the park entrance. It is also the only land in the area which is sufficiently gentle to be practical for extensive recreational development.

TOPOGRAPHY: The Rancho is entered from along the shore of Lopez Lake at an elevation of 550 feet above sea level. Approximately 1800 level, cultivated acres lie along the Arroyo Grande, Saucelito, Phoenix and Potrero Creeks -- all year-round streams which run through the property. About 2,000 acres are in the gently rolling foothills and finger valleys which slope away from the creek bottoms. To the north and east are the more rugged mountains containing meadows, streams, and abundant wildlife. The rugged outer perimeters shield the major flatlands from inclement weather and seclude the entire area from its surroundings. The highest point on the property is at 1853 feet, at the entrance into the Los Padres National Forest.

CLIMATE: Climate is close to ideal. The property is wholly on the ocean side of the Santa Lucia mountain range, yet it is just inland of the coastal fog belt. The air is clear, clean, and smog-free. Gentle winds are usually present. Noon temperatures are normally below 85 degrees in the summer, and 50 degrees in the winter. Average annual rainfall is 23 inches.


LOPEZ
LAKE
Public
Recreation
Area
U.S. 101

WATER: Four streams run year-round through the property. Arroyo Grande Creek which flows through the main valley is one of the two principal sources of water for Lopez Lake. Rancho Arroyo Grande has full riparian rights to this water. A series of test wells have been drilled into the valley ground water aquifers. Each well produces water in domestic quantities. Numerous large springs flow year-round from the bases of the anticlines and bluff areas.

LAND USE: 1400 acres of valley land have been dry farmed in barley and oats. Another 300 acres have been cultivated in sudan grass. At ranch headquarters, about 30 acres of permanent pasture are irrigated from Arroyo Grande Creek waters. The balance of the property is used for grazing range. At present, the Rancho carries 1500 head of stocker steers through the fall to spring season and 500 head through the summer. (Income from this lease is approximately $50,000 gross in good, wet years, and $25,000 gross in dry years). Additional permanent and semi-perminent pasture is presently being developed. At least 1,000 acres have been proven suitable for Zone 2 varietal wine grapes, or for orchard crops.

IMPROVEMENTS: The Rancho has a large modern owner's residence, a smaller guest house, two modern homes for employees, extensive barns, corrals, and other outbuildings. The property is completely fenced and cross-fenced, and contains over 50 miles of roads and trails. Electrical power service is provided by PG&E and telephone service by Pacific Telephone. A U.S. Forest Service fire control station with rangers in residence is located on the ranch property. A State ofCalifornia experimental agricultural range is also maintained on which foresters and agronomists conduct studies for improving agricultural practices.

OTHER INFORMATION: The area abounds in doves, quail, deer, and wild turkey. Lopez Lake is planted regularly with trout. Additional fishing ponds could be readily created on the Rancho, along the Arroyo Grande Creek.

Southwestern San Luis Obispo County is one of the fastest-developing areas in California. Estimated total employment within 45 minutes drive of the Rancho is 125,000. San Luis Obispo has a population (not counting students) of 32,000. This represents a 10 year increase of 109%, with a more rapid growth expected. Major employment centers include Vandenberg AFB (which was recently approved as the West Coast Launching Center for the new Space Shuttle Programs), Calif. Poly State College, and a planned $1 Billion atomic fueled electric generating plant.

RANCHO ARROYO GRANDE

w a t e r

RAINFALL: Average 23 inches a year, variation between 15" and 40". Weekly records for the years '63-'73 recorded.

SURFACE STREAMS Four creeks...Arroyo Grande, Saucelito, Potrero, and Phoenix...flow thru the main valleys, converging near the SW corner of the ranch and flowing into Lopez Lake. A gauging station located at the point of convergence records flow daily. Over the period 1965 thru 1973, average outflow was 2260 acre feet a year, with lowest year 609 acre feet.

STREAMS: Several springs, in Arroyo Grande, Saucelito, and Potrero Valleys are used for stock ponds.

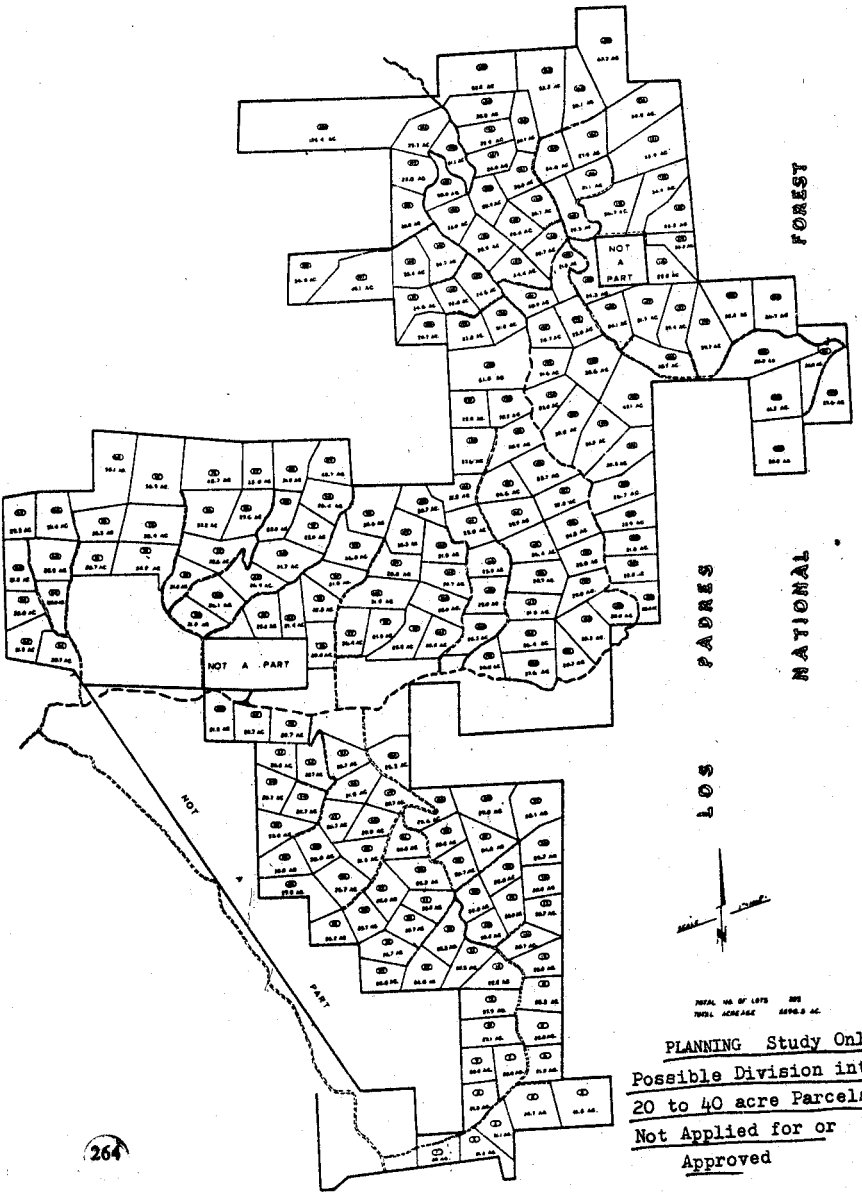
WELLS: Seven wells of depths 50 to 100 feet were drilled by a prior owner (Houchin) at locations along Arroyo Grande valley near ranch headquarters. Wells were cased (8" diameter) tested to show 30 to 50 gals a minute capacity, but have not been used.

600 foot 10" dia. test well by Houchin in upper Arroyo Grande Valley in 1960 tested at 120 gal/min, but did not penetrate sandstone layer. Not cased.

300 foot, 8" dia test well in Phoenix valley about 1968 tested at 15 gal/min, did not penetrate sandstone. (Drilled by Floyd V. Wells, Inc., Jim Rouse).

HYDROLOGY: Studies by Paul Manera, Hydrologist, in 1966, using electrical resistivity probes, concluded that"from the surface to a depth of 1500 feet are potential water producing materials." Further studies, including the 300 foot test well, were conducted in 1968 with recommendation that a number of shallow wells, 60 to 100 ft, along the Arroyo Grande Creek, could tap its underflow. Home-Stake Production Co. provided Manera with electric logs of deep oil well tests just south of the ranch. For further information, contact Dick Break, Miles and Cullington, S.L.O.

RIPARIAN RIGHTS: A legal opinion obtained in 1968 from Rowell, Lamberson Thomas & Hiber, Fresno, indicates that "the entire subject property...is riparian to the streams flowing within it..." and..."the creation of small ponds through which the water continues to flow would be legally proper."



PLANNING Study Only.
Possible Division into
20 to 40 acre Parcels
Not Applied for or
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FOUNTAIN REALTY

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DEPARTMENT OF STATE

Washington, D.C. 20520

March 6, 1979

CONFIDENTIAL

MEMO FOR THE FILES

SUBJECT: Shah's Travel and DGA

Les Janka of the DGA firm called on me March 6 for background in relation to Don Agger's trip to Marakech this week. DGA has in prospect a contract to provide support (real estate, protection, legal services, etc.) for the Shah should be come to the US.

Janka asked for my views. Speaking personally, I told him that should the Shah come to the US it would be a disaster for US-Iranian relations, for the Western position in the region and would create a severe security problem for our personnel in Tehran and USG officials in Washington. I was not sure that we would be able to maintain an Embassy in Tehran. I told him of the Iranian attitude toward the Moroccans and the Egyptians and the probability of the PLO-assisted effort to kidnap the Shah.

I said in my view the Shah would be ill-advised to come here. His security could not be assured unless he were kept in strict confinement and he would be subject to legal and Congressional harassment. His assets could well be attached.

Janka asked whether the US could provide protection, at least initially. I said I presumed that this would be the case but that we had already told the Shah's mother that she must look to private protection agencies.

Janka asked if the correct US position was that we would welcome the Shah to the US. I said that had been the position in December-January and it had been made public. I was not in a position to tell Janka the US position now. Janka said suppose the Shah asked Agger whether the US would welcome him. I said I thought that Mr. Agger should reply that all questions relating to the USG should be referred to Ambassador Parker. I said maybe Mr. Newsom would have a different view on this.

I told Janka that in my experience very little in Iranian affairs had remained out of the press. It would do the firm no good if the Shah were to come here and there were reprecussions against the USG and its personnel. I could easily imagine that the press might conclude that DGA was responsible for whatever damage was done.

Henry Precht
NEA/IRN

Copies to:
P, M, NEA,
Amb. [redacted] Embassy Tehran
Amb. [redacted] Embassy Rabat
File

DEPARTMENT OF STATE

79 7115

ACTION MEMORANDUM

S/S 4/19

ORIG:O/FADRC
COPIES:
P
CA
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April 18, 1979

CONFIDENTIAL

TO: P - Mr. Newsom

FROM: NEA - Harold H. Saunders

SUBJECT: USG Attitude on Visas for the Shah's Family and Immediate Entourage

We are receiving numerous requests from influential Americans to provide some kind of legal status in the U.S. or documentation for travel (asylum, parole, or advance parole) for Princess Ashraf and her family and other members of the Shah's entourage (e.g., ex-Ministers Amouzegar, Ansary, General Oveisi, etc.). We have taken the position with the visitors that it would be contrary to our interest in drawing closer to the new government to grant any of these requests. There is no question, on the other hand, that any of these people would be forced to return to Iran. All of them can be sustained here in a voluntary departure status or by extending their visas. They can even come and go from the U.S. if we waive the passport requirement, which this Bureau would be willing to approve. We have heard that the Shah's family has acquired Moroccan passports. We do not think it is our responsibility to provide documentation that will facilitate entry into other countries.

A particular question centers on Princess Ashraf, probably regarded in a worse light by Iranians than the Shah himself. Ashraf's unsavory past may possibly render her ineligible for a U.S. visa. We have some indication from a conversation with one of her sons that she may not have abandoned efforts to restore the former regime. As you know, the PGOI is intensely fearful and suspicious of the efforts of pro-Shah elements (allegedly with our support) to mount a counterrevolution. We would not wish to create any grounds that would support these charges.

We would appreciate your views as to whether we are responding appropriately to inquiries about asylum, parole, or other U.S. protection for persons from the previous Iranian regime.

268

CONFIDENTIAL
GDS 4/18/85

Recommendation:

That you approve the position outlined in this memorandum.

Approve_____ Disapprove_____

Clearance: CA - E. Harper
HA - F. Sieverts

Drafted:NEA/IRN:HPrecht:bdf
ext. 20313:4/17/79

CC: IRN

NEA

UNDER SECRETARY OF STATE
FOR POLITICAL AFFAIRS
WASHINGTON

~~INR~~ ~~H&S~~ HP ~~CHG~~ Pol ~~Econ~~ file

April 20, 1979

CONFIDENTIAL

MEMORANDUM TO: NEA - Mr. Saunders

With reference to your memorandum on our attitude on documentation for the Shah's family and associates, I would make the following comments.

Princess Ashraf and members of her family and friends have been stirring up a major effort on the question of documentation. We should respond to all such queries by saying that Princess Ashraf has an attorney who is handling this question and the attorney has been in touch with the Department. For your information, the attorney is William Jackson, who is also attorney for David Rockefeller. He has come to the Department and we have briefed him fully on the documentation question.

Questions put by other Iranians should be handled on a case by case basis. We are not adopting a blanket policy on this matter.

David D. Newsom

Copy to:
S - Mr. Raphel
CA - Ms. Harper
HA - Mr. Sieverts

CONFIDENTIAL
GDS 4/20/85

Charge

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NODIS
CHEROKEE, LITERALLY EYES ONLY FOR CHARGE LAINGEN -

E.O.11652: RDS-3, 7/26/89 (TARNOFF, PETER)
FROM THE SECRETARY
TAGS: PEPR

SUBJECT: SHAH'S DESIRE TO RESIDE IN THE U.S.

1. WE ARE AGAIN CONSIDERING HOW TO RESPOND TO THE SHAE'S CONTINUING QUERY TO US THROUGH VARIOUS CHANNELS REGARDING ESTABLISHING RESIDENCE FOR HIMSELF, THE SHAHBANOU, AND HIS FAMILY IN THE U.S. (HE CAN REMAIN IN MEXICO AT LEAST THROUGH OCTOBER.) I WOULD LIKE TO HAVE YOUR PERSONAL AND PRIVATE EVALUATION OF THE EFFECT OF SUCH A MOVE ON THE SAFETY OF AMERICANS IN IRAN (ESPECIALLY THE OFFICIAL AMERICANS IN THE COMPOUND) AS WELL AS ON OUR RELATIONS WITH THE GOVERNMENT OF IRAN.

2. WOULD YOUR ANSWER TO THE QUESTION POSED IN PARA 1 BE DIFFERENT IF (A) THE SHAH RENOUNCED HIS CLAIM AND THAT OF HIS HEIRS TO THE THRONE, OR (B) THAT HE AGREED TO FORE-SWEAR POLITICAL ACTIVITY OF ANY SORT AND THAT THIS BE CONFIRMED PUBLICLY.

3. WE CLEARLY UNDERSTAND THAT THE KEY TO MINIMIZING THE IMPACT OF THE SHAH'S ADMISSION WOULD BE IN BAZARGAN AND THE GOVERNMENT'S WILLINGNESS AND ABILITY IN SUCH A SITUATION TO CONTROL AND COMMAND THE SECURITY FORCES GUARDING OUR PEOPLE AND TO MINIMIZE ANY HOSTILE PUBLIC REACTION AGAINST OUR PEOPLE OR OUR RELATIONS.
SINCE THIS QUESTION IS BEING VERY CLOSELY HELD IN WASHINGTON, I WOULD APPRECIATE YOUR NOT SHARING THIS MESSAGE WITH ANYONE ELSE ON YOUR STAFF. PLEASE SEND YOUR REPLY NODIS/CHEROKEE, FOR THE SECRETARY. WITH BEST REGARDS.

VANCE
BT

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DE RUQMHR #7930/01 209 **
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O 2809147 JUL 79
FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC IMMEDIATE 2904
BT
S E C R E T SECTION 01 OF TEHRAN 07930

CLASS: SECRET
CHRGE: STATE 7/28/79
APPRV: CHARGE:LBLAINGEN
DRFTD: CHARGE:LPLAINGEN
CLEAR: NONE
DISTR: CHARGE

NODIS

CHEROKEE - FOR THE SECRETARY

E.O. 12065: RDS-3 7/28/79 (LAINGEN, L. BRUCE) OR-M
TAGS: PEPR
SUBJECT: SHAH'S DESIRE TO RESIDE IN THE U.S.

REF: STATE 194782

1. YOUR MESSAGE ASKS FOR MY PERSONAL AND PRIVATE EVALUATION OF THE EFFECT, ON THE SAFETY OF AMERICANS IN IRAN AND ON OUR RELATIONS WITH THE GOVERNMENT OF IRAN, OF THE SHAH BEING ALLOWED TO ESTABLISH RESIDENCE IN THE UNITED STATES.

2. A JUDGMENT ON THAT ISSUE MUST INEVITABLY BE (AND REMAIN) SPECULATIVE, CLOUDED BY THE ENORMOUS UNCERTAINTIES OF THE CURRENT IRANIAN SCENE--WHERE THERE HAS BEEN ALMOST NO PROGRESS TO DATE TOWARD RESOLUTION OF THE ULTIMATE POWER STRUCTURE. SUBJECT TO THAT RESERVATION, I CONCLUDE THAT FOR THE SHAH TO TAKE UP RESIDENCE IN THE U.S. IN THE IMMEDIATE FUTURE, BY WHICH I MEAN THE NEXT 2-3 MONTHS, WOULD CONTINUE AS BEFORE TO BE SERIOUSLY PREJUDICIAL TO OUR INTERESTS AND TO THE SECURITY OF AMERICANS IN IRAN. ON THE OTHER HAND, I BELIEVE THAT THIS SITUATION COULD BEGIN TO CHANGE WITHIN THAT TIME PERIOD TO MAKE THE RISKS MANAGEABLE BY LATE FALL. EVEN THAT JUDGMENT, I MUST CONFESS, IS INEVITABLY SPECULATIVE AND PRESUPPOSES A GOOD DEAL OF GOOD FORTUNE FOR ALL CONCERNED. MY RATIONALE FOLLOWS.

3. I BELIEVE THE NEXT 2-3 MONTHS REPRESENT THE WRONG TIME PERIOD FOR TWO BASIC REASONS: FIRST, THE HIGH DEGREE OF FRUSTRATION (AND THUS THE POTENTIAL FOR A SEARCH FOR SCAPEGOATS) IN THE CURRENT IRANIAN POLITICAL SCENE AND, SECOND, THE STILL SENSITIVE NATURE OF OUR BILATERAL RELATIONSHIP.

4. IRAN TODAY REMAINS POLITICALLY ADRIFT, ITS "GOVERNMENT" UNDER BAZARGAN STILL SUBJECT TO THE WHIMS AND ULTIMATE CONTROL OF THE AYATOLLAH AND HIS ENTOURAGE AT QOM. DAY-TO-DAY DECISION MAKING IS DIFFUSED, EXERCISED MORE OFTEN THAN NOT BY REVOLUTIONARY GROUPS AND INDIVIDUALS SCATTERED IN AND OUT OF THE FORMAL ADMINISTRATIVE APARATUS OF GOVERNMENT. THERE IS GROWING POPULAR FRUSTRATION OVER THE FACT THAT THE REVOLUTION HAS NOT CHANGED THINGS VERY MUCH IN IRAN; INDEED FOR MANY SEGMENTS OF THE POPULATION, CONDITIONS ARE WORSE THAN THEY WERE BEFORE.

5. IN THIS ATMOSPHERE, WE REMAIN THE CONVENIENT SCAPE-GOAT, TO THE POINT WHERE KHOMEINI THIS PAST WEEK EVEN TARGETED US AS SOMEHOW BEHIND THE BURNING OF HARVESTS IN THE FIELDS IN CERTAIN PARTS OF IRAN. FOR US NOW TO GIVE REFUGE TO THE SHAH WOULD ALMOST CERTAINLY TRIGGER MASSIVE DEMONSTRATIONS AGAINST OUR EMBASSY. WITH LUCK, THEY MAY STOP AT THAT, WITHOUT A PHYSICAL ASSAULT OF THE KIND WE EXPERIENCED LAST FEBRUARY. BUT THERE COULD BE NO ASSURANCE OF THAT, SINCE IRAN'S REGULAR MILITARY AND POLICE FORCES REMAIN LARGELY DEMORALIZED AND CANNOT YET BE RELIED ON TO APPLY THE FORCE THAT MIGHT BE NEEDED TO PREVENT VIOLENCE AGAINST US. INDEED THE GOVERNMENT HERE HAS YET TO FIND THE STRENGTH OR MEANS TO REPLACE WITH A UNIFORMED FORCE THE IRREGULAR GUERILLA FORCE ASSIGNED BY KHOMEINI TO "GUARD" OUR COMPOUND SINCE LAST FEBRUARY. THE POSSIBILITY OF INDIVIDUAL OR GROUP TERRORIST ACTION AGAINST OUR CHANCERY AND PERSONNEL WOULD OF COURSE ALSO BE GREATER WERE THE SHAH TO COME TO THE U.S. NOW, THOUGH THAT IS A POSSIBILITY THAT ALREADY EXISTS.

6. NOR IS OUR BILATERAL RELATIONSHIP YET OF THE MUTUAL CONFIDENCE AND SUBSTANCE EASILY TO WEATHER A GESTURE OF THIS KIND TOWARD THE SHAH. I THINK WE ARE MAKING PROGRESS IN REMOVING AT LEAST SOME OF WHAT HAS BEEN A DEEPLY FELT SUSPICION AMONG REVOLUTIONARY IRANIANS THAT WE HAVE NOT YET ACCEPTED THE NEW REALITIES IN IRAN AND THAT WE ARE CONNIVING WITH THE SHAH, ZIONISM, OR WITH SAVAKIS TO UNDERMINE THE REVOLUTION. BUT IT IS SLOW GOING, AND WE DOUBT VERY MUCH THAT OUR CREDENTIALS HAVE BEEN ENHANCED MUCH AT ALL AS YET WITH KHOMEINI. GRANTING ASYLUM TO THE SHAH NOW WOULD NEGATE MUCH THAT WE HAVE ACHIEVED TO DATE, AND I WOULD NOT EXCLUDE A REPEAT IN SOME FASHION, DICTATED BY KHOMEINI, OF A KNEE-JERK TYPE OF POLICY ACTION AGAINST US AS DEMONSTRATED AT THE TIME OF THE JAVITS RESOLUTION.

7. WHAT I AM SAYING IS THAT WE NEED SOME ADDED CUSHION ON BOTH FRONTS--ON THE INTERNAL IRANIAN SCENE AND IN OUR BILATERAL RELATIONS--BEFORE WE ACCEPT WHATEVER RISKS
B
#7930

N NN

S E C R E T SECTION 02 OF 02 TEHRAN 07930 DISTR: CHARGE

NODIS CHEROKEE - FOR THE SECRETARY

THERE MAY BE FOR OUR INTERESTS IN DOING WHAT I BELIEVE WE EVENTUALLY SHOULD DO-- ALLOW THE SHAH REFUGE IN THE U.S.

8. THE NEXT 2-3 MONTHS ARE CRUCIAL AND POSSIBLY HOPEFUL IN BOTH RESPECTS. INTERNALLY, BAZARGAN IS MAKING A NEW AND STRONGER EFFORT TO GET KHOMEINI TO TRANSFER TO HIS PROVISIONAL GOVERNMENT SOME OF THE AUTHORITY NOW EXERCISED BY THE REVOLUTIONARY AND COURTS AND BY THE LOOSE HIERARCHY OF REVOLUTIONARY COMMITTEES THAT STRETCH TO THE STREET LEVEL. GROWING PROBLEMS WITH THE KURDS AND THE ARAB MINORITY IN KUZISTAN SEEM TO BE REMINDING AT LEAST SOME OF THE REVOLUTIONARY ELEMENTS THAT STEPS MUST BE TAKEN TO RESTORE THE STATUS OF THE MILITARY IN TERMS OF BOTH AUTHORITY AND MATERIAL. BUT THE REAL KEY TO STRENGTHENED GOVERNMENTAL AUTHORITY AND CONTROL LIES IN THE SUCCESSFUL CARRYING OUT OF THE ELECTORAL PROCESS (A KIND OF CONSTITUENT ASSEMBLY IS TO BE ELECTED AUGUST 3) WHICH IS SUPPOSED TO RESULT IN A CONSTITUTIONALLY ENDOWED GOVERNMENT IN POWER BY AUTUMN.

9. IT IS OF UTMOST IMPORTANCE, IN MY VIEW, THAT WE NOT INJECT OURSELVES IN THAT PROCESS BY ANY PREMATURE GESTURE TOWARD THE SHAH, WITH ALL THE SUSPICIONS ABOUT OUR ATTITUDES AND ABOUT USG INTERFERANCE THAT THIS COULD AROUSE AND THE THE OPPORTUNITY IT COULD PROVIDE FOR THOSE REVOLUTIONARY HOTHEADS WHO WOULD PROBABLY LIKE NOTHING BETTER THAN A CHANCE TO FRUSTRATE THE POLITICAL TIMETABLE AND TAKE A CRACK AT US AT THE SAME TIME.
10. SIMILARLY, I BELIEVE IT IMPORTANT THAT WE NOT BURDEN OUR STILL THIN BILATERAL RELATIONSHIP WITH THE REVOLUTIONARY LEADERSHIP HERE UNTIL IT HAS GAINED ADDED SUBSTANCE AND DEPTH. AGAIN THERE IS PROMISE. DESPITE CONTINUED PROBLEMS ON MANY ISSUES BETWEEN US, WE HAVE SENSED IN RECENT WEEKS A GROWING APPRECIATION, AT LEAST WITHIN THE BAZARGAN GOVERNMENT, OF THE IMPORTANCE OF A BETTER U.S. RELATIONSHIP. LAST WEEK'S CONGRESSIONAL APPROVAL (IN THE DOD SUPPLEMENTAL) OF FUNDS TO PURCHASE THE FOUR SPRUANCE DESTROYERS ORIGINALLY DESTINED FOR IRAN HAS GIVEN US AND THE IRANIANS THE FLEXIBILITY TO BEGIN ALLOWING THE IRANIANS ACCESS TO MORE URGENTLY NEEDED SPARES FOR THEIR AIR FORCE AND OTHER MILITARY FORCES. THIS WILL HELP REMOVE LINGERING SUSPICIONS IN THE BAZARGAN GOVERNMENT THAT WE HAVE HAD ULTERIOR POLITICAL MOTIVES IN HOLDING BACK ON SUCH SHIPMENTS.

11. ASSUMING THAT THIS MORE HOPEFUL TREND II OUR BILATERIAL RELATIONSHIP CONTINUES AND DEEPENS, AND ASSUMING ALSO THAT THE CONSTITUTIONAL TIMETABLE HERE RESULTS IN A SOMEWHAT STRONGER GOVERNMENT IN PLACE BY AUTUMN, WITH ENHANCED AUTHORITY OVER IRAN'S SECURITY FORCES, THE RISKS IN A GESTURE ON OUR PART TOWARD THE SHAH COULD BE MUCH MORE MANAGEABLE. I WOULD THEREFORE HOPE THAT WE COULD DELAY ANY FINAL DECISION UNTIL WE

SEE HOW THINGS DEVELOP OVER THE NEXT 60-90 DAYS. IT WOULD HELP MEASURABLY, IN MY VIEW, IF DURING THAT SAME TIME PERIOD WE WERE ABLE TO NAME AN AMBASSADOR, AN ACT THAT IN ITSELF WILL BE SEEN AS A VOTE OF CONFIDENCE IN THE NEW REALITIES IN IRAN.

12. THE JUDGMENT DESCRIBED ABOVE WOULD OF COURSE DIFFER IF THE SHAH WERE PUBLICLY TO RENOUNCE HIS CLAIM AND THAT OF HIS HEIRS TO THE THRONE BEFORE COMING TO THE U.S. SUCH ACTION ON HIS PART WOULD SUBSTANTIALLY LESSEN THE RISKS TO OUR INTERESTS.(I CONFESS, HOWEVER, TO FINDING IT HARD TO IMAGINE HIS TAKING SUCH ACTION IN THE SHORT TERM FUTURE). ON THE OTHER HAND, I DO NOT SEE THAT A PUBLIC STATEMENT BY THE SHAH SIMPLY FORESWEARING POLITICAL ACTIVITIES OF ANY SORT WOULD HAVE MUCH IMPACT. IT WOULD SCARCELY BE CREDIBLE HERE. LAINGEN
BT
#7930

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SECRET/NODIS TEHRAN 7930/2

E.O. 12065: GDS, 7/22/98 (PERSONT, HENRY)

TAGS: PEPR, IR

SUBJECT: PGOI SUSPICIONS ABOUT THE SHAH

1. (C - ENTIRE TEXT)

2. IRANIAN CHARGE AGAH CALLED DEPOFF JULY 30 TO INQUIRE URGENTLY WHETHER THE SHAH WAS COMING TO THE US. AGAH SAID HE HAD SUCH A REPORT FROM A VERY RELIABLE SOURCE AND DR. YAZDI HAD ASKED HIM TO GET IN TOUCH WITH THE DEPARTMENT TO EXPRESS THE PGOI'S CONCERN. DEPOFF DESCRIBED US POSITION AND SAID THAT AGAH WAS SURELY AWARE OF INTENSE PRESSURES ON THE EXECUTIVE BRANCH FROM CONGRESS AND OTHER QUARTERS FOR A CHANGE IN THE USG POSITION. DEPOFF SAID HE COULD ASSURE AGAH THAT THERE HAD BEEN NO CHANGE IN THE US POSITION AND HE KNEW OF NO PLANS FOR THE SHAH TO COME TO THE US. DEPOFF ADDED THAT HE ASSUMED THAT AGAH WAS AWARE THAT THE THREE PAHLAVI CHILDREN WERE IN THE US; AGAH SAID HE KNEW THAT. VANCE

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#7909

[illegible]

[illegible] PASS TO [illegible]

FROM EMBASSY TEHRAN IMMEDIATE 2211

S E C R E T SECTION 71 OF TEHRAN 08247

EXDIS

FOR NEWSOM FROM CHARGE

E.O. 12065: GDS 9/2/85 (LAINGEN, L.B.) OR-M

SUBJ: IRAN

AMBASSADORIAL NOMINATION

REF: STATE 186711 AND 186730

1. THANK YOU FOR YOUR GENEROUS MESSAGE AND THAT FROM THE SECRETARY AS WELL.

2. YOUR MESSAGE ASKED FOR MY VIEWS ON THE QUESTION OF APPOINTING AN AMBASSADOR HERE, BOTH WITH RESPECT TO TIMING AND ATMOSPHERICS. MY SHORT ANSWER IS TO SAY THAT I BELIEVE OUR INTERESTS IN IRAN WOULD BE SERVED BY THE EARLIEST POSSIBLE NOMINATION OF A NEW AMBASSADOR, PREFERABLY EVEN EARLIER THAN THE TIMETABLE YOU SUGGEST. MY LONGER ANSWER TAKES ACCOUNT OF YOUR UNDERSTANDABLE CONCERN THAT THE ATMOSPHERE IN WHICH WE TAKE THIS ACTION MUST BE SUCH AS TO BE SUPPORTIVE OF THE POLICY ENDS WE SEEK. THIS ATMOSPHERE WILL TELL US A GOOD DEAL ABOUT WHAT THE PGOI IS PREPARED TO DO IN WHAT MUST BE A MUTUAL PROCESS OF REBUILDING A RELATIONSHIP.

3. HAVING SAID THAT, ONE MUST NOTE THAT THE PGOI IS ALSO LOOKING FOR SMOKE SIGNALS FROM US. WE ARE THE ONLY MAJOR POWER OR IMPORTANT IRANIAN NEIGHBOR WITHOUT AN AMBASSADOR HERE. IT IS APPARENT FROM QUESTIONS WE GET FROM VIRTUALLY EVERY QUARTER THAT THE TIMING AND PERSON OF THE NEW AMERICAN AMBASSADOR FIGURE PROMINENTLY IN ATTITUDES TOWARD US AMONG THE PGOI LEADERSHIP. WHATEVER WE MAY THINK ABOUT THE PGOI'S RESPONSIBILITIES FOR THE OUTER AFFAIR AND THE PRESENT STATE OF OUR RELATIONSHIP. MOST OF THESE IRANIANS SEE THE CONTINUED ABSENCE OF AN AMBASSADOR AS EVIDENCE THAT WE HAVE YET TO COME TO TERMS WITH THE NEW REALITIES OF IRAN. THE VERY ACT OF NAMING AN AMBASSADOR, THEREFORE, WILL BE SEEN AS A VOTE OF CONFIDENCE FROM US.

4. THERE IS A SPECIAL INTEREST AMONG TWO OTHER QUARTERS REGARDING OUR INTENTIONS. THE FIRST INCLUDES A NUMBER OF OTHER GOVERNMENTS, ESPECIALLY OUR WEST EUROPEAN ALLIES WHO WILL READ A GOOD DEAL INTO OUR ACTION ON THIS AND WHO EXPECT AND HOPE WE WILL ACT SOON. THE SECOND INVOLVES THE AMERICAN BUSINESS COMMUNITY WITH INTERESTS AND PROBLEMS IN IRAN. THAT COMMUNITY IS ESPECIALLY SENSITIVE TO OUR INTENTIONS CONCERNING AN AMBASSADOR. VIRTUALLY ALL OUR CONTACTS IN THAT QUARTER INDICATE TO US

THAT THE FACT HE HAVE NOT YET ACTED IS A FACTOR ON THE NEGATIVE SIDE IN OUR BALANCE OF THE PROS AND CONS AFFECTING DECISIONS AS TO FUTURE OPERATIONS IN IRAN.

5. FOR THESE REASONS I CONTINUE TO BELIEVE IT IMPORTANT THAT ACTION TO NAME AN AMBASSADOR NOT BE LONG DELAYED. ALTHOUGH I THINK THE TIMETABLE SUGGESTED IN YOUR MESSAGE IS TOO LONG, IT IS PROBABLY REALISTIC IN TERMS OF THE ATMOSPHERICS. THE BALANCE OF THIS CABLE CONCERNS THAT ASPECT.

6. THE NEXT SEVERAL MONTHS HERE WILL BE PREOCCUPIED WITH AN ELECTORAL PROCESS DESIGNED TO PUT A CONSTITUTIONALLY ENJOINED GOVERNMENT IN PLACE BY LATE FALL. THE PROCESS PROMISES TO BE MESSY AND THE OUTCOME LESS THAN CERTAIN, BUT BOTH THE PGOI AND THE AYATOLLAH ARE HEAVILY COMMITED TO THE PROCESS AND, BARRING A MAJOR UPSET, A NEW AND HOPEFULLY STRONGER GOVERNMENT WILL ENSUE.

7. I HAVE NO PRESENT REASON TO THINK ITS ATTITUDE WILL DIFFER SIGNIFICANTLY FROM THAT OF THE PGOI. I HAVE MYSELF BEEN CORDIALLY RECEIVED HERE AT ALL LEVELS. PUBLIC NOISES FROM THE GOVERNMENT CONCERNING US HAVE RECENTLY BEEN GENERALLY POSITIVE. WE SENSE THAT BOTH YAZDI AND BAZARGAN INCREASINGLY RECOGNIZE THE NEED OF MOVING TOWARD A BETTER UNDERSTANDING WITH US. THAT APPLIES EVEN MORE SO TO THE MILITARY LEADERSHIP.

8. THE SECURITY ARRANGEMENTS AFFECTING OUR COMPOUND ARE STILL UNCERTAIN. IT IS IMPORTANT THIS BE REGULARIZED BEFORE A NEW AMBASSADOR ARRIVES. WE ARE CAREFULLY OPTIMISTIC THAT THIS CAN BE DONE BY USING THE LEVERAGE THAT THE OPENING OF NORMAL VISA FACILITIES WILL PROVIDE US.

9. THE ASSUMPTIONS OUTLINED ABOVE ARE WITH RESPECT TO

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THE ATTITUDES OF THE REGULAR GOVERNMENT MACHINERY. THERE IS ALSO COM. AS YOU POINT OUT, THE PUBLIC COMMENTS OF THE AYATOLLAH AND HIS ENTOURAGE HAVE BEEN MORE MODERATE IN RECENT WEEKS. BUT I MUST EMPHASIZE THAT HIS ATTITUDES REST ON WHAT WE BELIEVE TO BE A FUNDAMENTAL DISTASTE FOR THE U.S. MANY OF THOSE AROUND HIM APPEAR TO BE EVEN MORE SUSPICIOUS OF OUR INTENTIONS. THIS ENTOURAGE TENDS TO BE EMOTIONAL AND SHALLOW IN ITS APPROACH TO FOREIGN AFFAIRS. SINCE THIS CIRCLE HAS IMMEDIATE ACCESS TO AND IMPACT ON THE AYATOLLAH'S DAY-TO-DAY STATEMENTS, THERE IS A CONSTANT RISK OF OUTBURSTS FROM THAT QUARTER THAT IS UNPREDICTABLE AND THAT COULD SET US BACK IN THE TIMETABLE YOU SUGGEST. WE WILL SIMPLY HAVE TO WATCH THIS CLOSELY AS TIME GOES ALONG.

10. THERE IS ALSO THE CONSIDERATION, AFFECTING BOTH TIMING AND ATMOSPHERE, OF OUR POSTURE TOWARDS THE SHAH. IN MY VIEW IT IS HIGHLY DESIRABLE THAT THE SHAH NOT COME TO THE U.S. BEFORE WE HAVE AN AMBASSADOR IN PLACE. THE ADDED STRENGTH AND DURABILITY IN OUR BILATERAL RELATIONS THAT CAN FOLLOW FROM NAMING AN AMBASSADOR WILL HELP COPE WITH THE INEVITABLY ADVERSE REACTION TO GESTURES ON OUR PART TOWARD THE SHAH, ESPECIALLY THAT FROM THE AYATOLLAH.

11. THERE IS FINALLY THE QUESTION OF RECIPROCITY; I.E., THE CORRESPONDING LEVEL OF IRAN'S REPRESENTATION IN WASHINGTON. WE NEED NOT ATTACH PARTICULAR SIGNIFICANCE TO THIS FACTOR. WE SHOULD APPOINT AN AMBASSADOR HERE WHEN WE CONCLUDE THAT OUR INTERESTS REQUIRE IT, RATHER THAN LINKING IT DIRECTLY TO ACTIONS THE PGOI TAKES. AT THE SAME TIME WE CAN AND SHOULD CONTINUE TO MAKE CLEAR TO THE PGOI THAT THE BUSINESS OF REBUILDING A RELATIONSHIP IS A TWO WAY PROCESS THAT REQUIRES A CONTINUING INPUT FROM BOTH SIDES.

12 THE SECRETARY'S MESSAGE SUGGESTED CONSULTATIONS IN LATE AUGUST OR EARLY SEPTEMBER. I AM INCLINED TO LATTER PERIOD.

13. WARM REGARDS. LAINGEN
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#8247

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NODIS
CHEROKEE FOR CHARGE

~~E.O.~~ 12065: GDS 8/16/85 (PRECHT, HENRY)

TAGS: PINT, PEPR, IR, US

SUBJECT: INQUIRY FROM PGOI CONCERNING SHAH

REF: TEHRAN 9133

1. (S) ENTIRE TEXT.

2. ~~AS CHARGE~~ NAAS INFORMED THE PRIME MINISTER IN MAY (TEHRAN 4663), THE FOUR PAHLAVI CHILDREN ARE EXPECTED TO ~~ATTEND SCHOOL~~ IN THE U.S. THIS YEAR. THE THREE YOUNGER CHILDREN ARE NOW IN THE COUNTRY. REZA CAME TO THE U.S. LAST WEEKEND FOR A BRIEF STAY IN ORDER TO TAKE THE REQUIRED TOEFL ENGLISH LANGUAGE PROFICIENCY EXAMINATION. HE NEEDED A VISA IN ORDER TO COME HERE AND OBTAINED IT AT OUR EMBASSY IN MEXICO CITY.

3. REZA DID NOT INQUIRE OR MAKE AN APPLICATION FOR A VISA FOR HIS PARENTS. (FYI: WHILE WE SUGGEST YOU NOT INFORM THE PGOI OF THIS FACT, YOU SHOULD KNOW THAT THE SHAH ACQUIRED A VISA BEFORE HE LEFT IRAN AND IT IS STILL VALID. END FYI.)

4. YOU MAY INFORM THE IRANIANS, AS WE HAVE RECENTLY DONE IN WASHINGTON, THAT THERE HAS BEEN NO CHANGE IN THE USG ATTITUDE TOWARDS A TRIP BY THE SHAH TO THE U.S. CHRISTOPHER
BT
#4861

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VZCZC 242
ZZ RUFHC
DE RUCMHR #1133/01 2941120
ZNY SSSSS ZZH
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S E C R E T SECTION 01 OF 02 TEHRAN 11133

NODIS
CHEROKEE

FOR UNDER SECRETARY NEWSOM

E.O. 12065: RDS02 10/21/99 (LAINGEN, L.B.) OR-M
TAGS: PEPR, IR, US
SUBJECT: SHAH'S ILLNESS

REF: STATE 275001

1. (SECRET-ENTIRE TEXT.)

2. I TOOK OPPORTUNITY OF SCHEDULED APPOINTMENT WITH AMBASSADOR ENTEZAM THIS MORNING AT 10:00 O'CLOCK (INTRODUCING HENRY PRECHT) TO ADVISE HIM OF MY INSTRUCTIONS AND TO ASK HIM TO ARRANGE IMMEDIATE APPOINTMENT WITH PRIME MINISTER BAZARGAN (GEORGE CAVE LEFT TEHRAN OCTOBER 19). AFTER DISCUSSION WITH ENTEZAM, WE WALKED NEXT DOOR WITH HIM TO CALL ON BAZARGAN. FOREIGN MINISTER YAZDI JOINED US SHORTLY THEREAFTER.

3. IN CONVEYING TALKING POINTS CONCERNING OUR HAVING CONCURRED IN MEDICAL JUDGMENT THAT SHAH'S CONDITION REQUIRED ADMISSION SOONEST TO U.S. MEDICAL FACILITIES. I SAID THAT OUR DECISION WAS MADE ENTIRELY ON HUMANITARIAN GROUNDS. I EMPHASIZED THAT WE RECOGNIZED AND DEALT WITH THE PGOI AND THE PRIME MINISTER, THAT THIS REFLECTED OUR ACCEPTANCE OF THE CHANGE IN IRAN, AND THAT WE WERE ANXIOUS TO WORK TOGETHER IN EVERY WAY POSSIBLE TO BUILD A NEW RELATIONSHIP WITH IRAN.

4. I SAID THAT I HOPED THAT THE PGOI, WHICH WE ASSUMED ALSO GENUINELY SOUGHT TO BUILD A NEW RELATIONSHIP BETWEEN OUR TWO COUNTRIES, WOULD WORK WITH US TO ENSURE THAT THE POLITICAL FALLOUT FROM THE SHAH'S ENTRY INTO THE U.S. WOULD BE MANAGEABLE FOR BOTH COUNTRIES. I ALSO STRESSED OUR HOPE AND CONFIDENCE THAT THE PGOI WOULD TAKE WHATEVER STEPS WERE NECESSARY TO ASSURE THE SECURITY OF OUR COMMUNITY IN IRAN, SHOULD ADVERSE PUBLIC DEMONSTRATIONS OCCUR.

5. THE REACTION FROM OUR THREE INTERLOCUTORS WAS MIXED BUT GENERALLY SUBDUED. REACTION VARIED FROM ENTEZAM'S IMMEDIATE EXPRESSION OF CONCERN OVER THIS NEW OBSTACLE TO EFFORTS THAT HE SAID HE AND OTHER FRIENDS OF THE U.S. IN IRAN WERE CARRYING OUT TO TRY TO IMPROVE OUR RELATIONSHIP, TO BAZARGAN'S QUIET BUT CONCERNED ACCEPTANCE OF REALITY, TO YAZDI'S (WHO DOMINATED THE DISCUSSION) EMPHASIS ON THE PROBLEMS THAT THIS WOULD CREATE FOR THE U.S. IN IRAN.

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6. A FAIRLY EXTENDED DISCUSSION CULMINATED IN YAZDI'S SUMMING UP WITH THE FOLLOWING POINTS:

- A. THE PGOI WOULD STRONGLY PREFER THAT THE SHAH, ASSUMING HIS CONDITION GENUINELY REQUIRED MEDICAL EXAMINATION OUTSIDE MEXICO, SEEK SUCH ASSISTANCE ELSEWHERE THAN IN THE U.S. YAZDI CONCEDED READILY THAT SUCH FACILITIES WERE NOT AVAILABLE IN MEXICO BUT HE SAID THE PGOI COULD NOT UNDERSTAND WHY THE REQUIRED ASSISTANCE COULD NOT BE FOUND IN WESTERN EUROPE.

- B. SHOULD THE U.S. NONETHELESS PROCEED TO ADMIT THE SHAH, YAZDI FELT THAT TREATMENT OUTSIDE OF NEW YORK CITY WOULD BE "MARGINALLY BETTER" IN TERMS OF PUBLIC OPINION HERE. AS HE DESCRIBED IT, NEW YORK CITY IS SEEN BY IRANIANS AS A CENTER OF ROCKEFELLER AND ZIONIST INFLUENCE, AND THIS WOULD COMPOUND THE PROBLEM. HE SUGGESTED THE M.D. ANDERSON INSTITUTE IN HOUSTON AS BEING FULLY CAPABLE OF PROVIDING THE KIND OF DIAGNOSIS THAT APPEARED TO BE NEEDED. (YAZDI SPEAKS FROM PERSONAL PROFESSIONAL EXPERIENCE WITH BOTH KETTERING AND ANDERSON INSTITUTES.)

- C. TO HELP THE PGOI TO REASSURE THE IRANIAN PUBLIC AND KHOMEINI THAT THISWAS NOT SIMPLY A "RUSE" ON THE PART OF THE SHAH TO GAIN ADMISSION TO THE U.S., THE PGOI WOULD HOPE THAT AN IRANIAN DOCTOR WOULD BE ALLOWED TO CONFIRM THE VALIDITY OF THE MEDICAL FINDINGS. (IT WAS UNCLEAR WHETHER HE WOULD BE EXPECTED TO EXAMINE THE SHAH.) IN RESPONSE TO OUR QUESTION, YAZDI SAID THERE WERE A NUMBER OF CAPABLE IRANIAN DOCTORS RESIDENT IN THE U.S. WHO COULD BE SO TASKED RATHER THAN SENDING SOME ONE FROM IRAN. YAZDI ALSO PRESSED US AS TO WHETHER SHAH WOULD REMAIN IN THE U.S. IF DIAGNOSIS SUGGESTED EXTENDED CHEMOTHERAPY OR OTHER TREATMENT. I ANSWERED THAT WE COULD NOT PROVIDE ANY ASSURANCES ON THAT SCORE AT THIS POINT.

- D. FINALLY THE PGOI WOULD EXPECT THE USG TO OBTAIN FROM THE SHAH A PRIOR ASSURANCE THAT HE WOULD NOT
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S E C R E T SECTION 02 OF 02 TEHRAN 11133

PARTICIPATE IN POLITICAL ACTIVITY WHILE IN THE U.S. NOR WOULD HE ENGAGE IN PRESS INTERVIEWS TO FURTHER HIS POLITICAL INTERESTS. WE SAID THAT HIS ADMISSION INTO THE U.S. COULD NOT BE KEPT SECRET, THAT WE COULD NOT PROVIDE ANY ABSOLUTE GUARANTEES ABOUT CONTACT WITH THE PRESS, BUT THAT WE WOULD UNDOUBTEDLY EMPHASIZE TO THE SHAH OUR DESIRE THAT HE AVOID ANY POLITICAL ACTIVITY, EITHER WITH THE PRESS OR OTHERWISE.

7. THROUGHOUT THE DISCUSSION, PARTICULARLY FROM YAZDI, THERE PREVAILED A SUSPICION THAT THE SHAH'S CONDITION IS NOT REALLY SUCH AS TO REQUIRE THE MEDICAL FACILITIES NOW SOUGHT. I EMPHASIZED THAT I COULD NOT SPEAK TO HIS CONDITION BEYOND THE INSTRUCTIONS THAT I HAD BUT THAT I HAD NO REASON TO BELIEVE THAT HIS CONDITION WAS NOT OF IMMEDIATE CONCERN AND SERIOUS. I ASSURED THE PRIME MINISTER THAT WE WOULD KEEP THE PRIME MINISTER INFORMED ON A PRIVATE BASIS ON THE COURSE OF THIS MATTER. LAINGEN
BT
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DE RUQMHR #1273 297 **
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C O N F I D E N T I A L TEHRAN 11273

CLASS: CONFIDENTIAL
CHARGE: STAT 10/24/79
APPRV: CHARGE:LBLAINGEN
DRFTD: POL:VLTOMSETH:GO
CLEAR: SY:AGOLACINSKI
DISTR: POL2 CHG ICA
SY CHRON RF

DEPT FOR NEA AND A/SY/OPS/FO; KARACHI FOR RSS

E.O. 12065: ADS 10/24/80 (TOMSETH, VICTOR L.) OR-P
TAGS: PEPR, ASEC, IR
SUBJECT: THE SHAH IN THE U.S.

1. (C - ENTIRE TEXT).

2. THE REACTION TO THE SHAH'S ARRIVAL IN THE U.S. HAS BEEN MINIMAL. MOST PAPERS, FARSI AND ENGLISH LANGUAGE, CARRIED THE STORY IN A STRAIGHT-FORWARD MANNER USING WIRE SERVICE REPORTS AND STATEMENT BY MINISTRY OF FOREIGN AFFAIRS SPOKESMAN IBRAHIM MOKALLA. MOKALLA WAS QUOTED BY THE ENGLISH LANGUAGE TEHRAN TIMES AS SAYING THAT "IT IS OUR (THE PGOI'S) UNDERSTANDING THAT THE DEPOSED SHAH HAS GONE TO THE UNITED STATES FOR TREATMENT ONLY AND THAT HE AND HIS WIFE DO NOT HAVE THE RIGHT TO CONDUCT POLITICAL ACTIVITIES OF ANY KIND IN THE UNITED STATES." HE DESCRIBED THE SHAH AS SUFFERING FROM "TERMINAL CANCER". THE NATIONAL IRANIAN RADIO AND TELEVISION ORGANIZATION (NIRT) HAS IGNORED THE SUBJECT ENTIRELY. NEITHER NIRT RADIO NOR TELEVISION NEWSCASTS LAST NIGHT (OCTOBER 23) AND TODAY HAVE MENTIONED THE SHAH'S TRAVEL.

3. THERE WERE SEVERAL DEMONSTRATIONS AROUND TEHRAN YESTERDAY, INCLUDING SEVERAL GROUPS WHICH PASSED BY THE EMBASSY BUT WHICH DID NOT ATTEMPT TO STOP HERE. SOME PARTICIPANTS SHOUTED ANTI-AMERICAN SLOGANS AND CARRIED BANNERS DENOUNCING THE U.S. AND PRESIDENT CARTER. HOWEVER, THESE EXPRESSIONS OF ANTI-AMERICAN SENTIMENTS APPARENTLY WERE ONLY SECONDARY TO THE MAIN PURPOSE OF AT LEAST SOME OF THESE DEMONSTRATIONS WHICH WAS TO COMMEMORATE THE ANNIVERSARY OF THE DEATH OF KHOMEINI'S ELDEST SON SEVERAL YEARS AGO. (COMMENT: IT IS WIDELY BELIEVED HERE THAT MUSTAFA KHOMEINI WAS POISONED BY SAVAK AND CIA AGENTS. THE ANTI-AMERICAN MANIFESTATIONS THUS SEEM MORE LIKELY CONNECTED WITH POPULAR MYTH REGARDING THE CIRCUMSTANCES OF MUSTAFA'S DEATH RATHER THAN THE ARRIVAL OF THE SHAH IN THE U.S. END COMMENT.) THERE WERE OTHER DEMONSTRATIONS AS WELL, BUT THESE CONCERNED EDUCATIONAL ISSUES RATHER THAN THE SHAH OR US.

4. A DEMONSTRATION IS PLANNED FOR FRIDAY, OCTOBER 26 AT TEHRAN UNIVERSITY. THIS ONE HAS BEEN CALLED BY THE ISLAMIC REPUBLICAN PARTY TO EXPRESS SUPPORT FOR THE LEADERSHIP OF AYATOLLAH KHOMEINI. ONE OF THE MARCH ROUTES TO THE UNIVERSITY WILL PASS BY THE EMBASSY, AND WE ANTICIPATE THAT PARTICIPANTS MAY USE THE OCCASION

* U.S. Government Printing Office: 1976—204-830

TO DEMONSTRATE AGAINST THE U.S. AS WELL, PERHAPS INCLUDING SOME EXPRESSIONS OF PROTEST AGAINST THE SHAH'S PRESENCE IN THE U.S. ALSO, IT IS CONCEIVABLE, IF NOT LIKELY, THAT WE WILL GET SOME FALL-OUT AFTER THE DEMONSTRATION ENDS AT THE UNIVERSITY FROM PARTICIPANTS WHO MAY TAKE IT UPON THEMSELVES TO COME BACK TO THE EMBASSY. WE WILL BE TAKING THE NECESSARY PRECAUTIONS, BUT AT THIS MOMENT WE ARE GROWING INCREASINGLY CONFIDENT THAT WE MAY COME THROUGH THIS LATEST DEVELOPMENT IN OUR BILATERAL RELATIONSHIP WITH IRAN RELATIVELY UNSCATHED. LAINGEN
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U.S. Government Printing Office: 1976—204-830

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E.O. 12065: RDS-2 10/26/99 (TARNOFF, PETER)

TAGS: PEPR, SOPN, IR, US
SUBJECT: THE SHAH IN THE U.S.
REF: STATE 279135
1. (S - ENTIRE TEXT)

2. IRANIAN EMBASSY REPS DR. FARHANG AND AVA (PRESS OFFICER) MET WITH DEPTOFF OCTOBER 26 TO PURSUE QUESTION OF TWO IRANIAN DOCTORS RESIDENT IN U.S. PROPOSED BY GOI OBTAINING INFORMATION CONCERNING THE STATE OF HEALTH OF THE SHAH.

3. DEPTOFF INFORMED FARHANG AND AVA THAT USG WILLING TO DEAL WITH DOCTORS PROPOSED BY GOI AND HANDED FARHANG SEALED ENVELOPES FOR THE TWO DOCTORS (CONTAINING INFO PREVIOUSLY PASSED TO YAZDI AND NEW YORK HOSPITAL OCTOBER 25 MEDICAL BULLETIN). DEPTOFF TOLD FARHANG THAT IF DOCTORS HAD ANY FURTHER QUESTIONS THEY COULD CONTACT DEPT. MEDICAL DIRECTOR, WHO WOULD ACT AS CHANNEL FOR TRANSMISSION OF QUESTIONS AND ANSWERS BETWEEN THEM AND DOCTORS IN NEW YORK.

4. MEETING WITH FARHANG WAS FRIENDLY IN TONE. FARHANG MADE NO SPECIFIC COMMENT ON WHETHER PROCEDURE WOULD FULFILL GOI NEEDS, BUT HIS GENERAL REMARKS WERE POSITIVE AND CENTERED ON THE NECESSITY FOR THE GOI TO BE SEEN TO BE

DOING SOMETHING ABOUT THE SHAH BEING IN THE U.S. FARHANG ASKED WHETHER GOI HAD BEEN INFORMED IN TEHRAN AND WAS TOLD EMBASSY HAD INSTRUCTIONS TO INFORM MFA AND WOULD AT THE LATEST DISCUSS MATTER WITH FONMIN YAZDI OCTOBER 27.

5. FARHANG MADE POINT THAT EMOTIONS RUN HIGH AMONG IRANIANS CONCERNING THE SHAH, AND CITED AS EXAMPLE DEMAND BY IRANIAN EMBASSY STAFF HERE THAT EMBASSY BE CLOSED OCTOBER 26 SO THEY COULD DEMONSTRATE IN FRONT OF EMBASSY AGAINST THE SHAH'S PRESENCE IN THE U.S.

6. FARHANG AND AVA RAISED PRESS STORIES INDICATING THAT THE SHAH WOULD NEED TREATMENT IN THE U.S. FOR A YEAR. DEPTOFF URGED THAT THEY NOT JUMP TO CONCLUSIONS ON BASIS OF PRESS STORIES. LENGTH OF SHAH'S STAY WOULD BE BASED ON MEDICAL NEEDS, TO BE DETERMINED IN DUE COURSE BY COMPETENT MEDICAL EXPERTS. DEPTOFF TOLD FARHANG THAT IT WAS HIS UNDERSTANDING THAT MEDICAL EXPERTS WERE NOT YET IN A POSITION TO MAKE SUCH DETERMINATION, AND THAT FURTHER TESTS WOULD BE REQUIRED.

7. AVA ASKED ABOUT SHAH'S PASSPORT AND WAS INFORMED THAT PASSPORT REQUIREMENT HAD BEEN WAIVED IN ACCORDANCE WITH PROVISIONS OF U.S. IMMIGRATION LAWS. DEPTOFF EXPLAINED THAT SUCH WAIVER WAS NOT UNUSUAL.

8. THE TUO U.S. RESIDENT IRANIAN DOCTORS CONTACTED DEPARTMENT'S MEDICAL DIRECTOR LATER ON OCTOBER 26. THEY REQUESTED TO (A) EXAMINE SHAH, AND (B) REVIEW RELEVANT MEDICAL RECORDS AND PATHOLOGICAL MATERIAL IN ORDER TO MAKE AN AUTHORITATIVE REPORT. IN PARALLEL DISCUSSION WITH DEPTOFF, HOWEVER, IRANIAN EMBASSY OFFICER DID NOT REPEAT NOT REQUEST EXAMINATION OF SHAH, ONLY REVIEW OF MEDICAL RECORDS BY THE DOCTORS.

9. FYI: MEDICAL DIRECTOR IS FORARDING REQUEST FOR MATERIALS IN (B) TO SHAH'S DOCTORS IN NEW YORK BUT, IS NOT REPEAT NOT FORUARDING REQUEST TO EXAMINE THE SHAH, SINCE THAT IS OBVIOUSLY INAPPROPRIATE AS WELL AS BEING WELL BEYOND OUR PROPOSAL IN REFTEL. END FYI.

CHRISTOPHER
BT
#9880

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DE RUQMHR #1371 301 **
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TO SECSTATE WASHDC IMMEDIATE 4503
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C O N F I D E N T I A L TEHRAN 11371

CLASS: CONFIDENTIAL
CHRGE: STAT 10/28/79
APPRV: POL:VLTOMSETH
DRFTD: POL:VLTOMSETH
CLEAR: NEA/IRN:HPRECHT;
A:BROSEN
DISTR: POL-2 CHARGE ICA
N RF CHRON SY

E.O. 12065: GDS 10/28/85 (TOMSETH, VICTOR L.) OR-P
TAGS: PEPR, IR
SUBJECT: THE SHAH INTHE U.S.

REF: TEHRAN 11323

1. (C-ENTIRE TEXT.)

2. A NEGATIVE REACTION TO THE SHAH'S PRESENCE IN THE U.S. HAS BEEN GRADUALLY BUILDING. OVER THE WEEKEND KHOMEINI TWICE MADE CRITICAL REMARKS, ON ONE OCCASION SAYING THAT "THE ENEMIES OF ISLAM... HAD RECENTLY ADMITTED THE SHAH INTO THE U.S." AND ON ANOTHER USING THE SHAH'S PRESENCE AT THE LEAD-IN TO A LONG ATTACK ON OUR PAST RELATIONS WITH IRAN. DURING THE LATTER HE SUGGESTED THAT HIS ADMISSION TO THE U.S. MIGHT BE A "PLOT."

3. ACCORDING TO PRESS REPORTS, OIL WORKERS WARNED OCTOBER 27 THAT IRAN MIGHT RESORT TO ECONOMIC RETALIATION IF THE U.S. REFUSED TO EXTRADITE THE SHAH.

4. FINALLY, NIRT FINALLY BROKE ITS SILENCE ON THE SUBJECT, FIRST FEATURING A CRITICAL AND VITRIOLIC EDITORIAL COMMENT FROM THE NEWSPAPER JOMHURI-YE-ESLAMI, THEN A REPORT OF DR. MOHAMMAD BEHESHTI'S WARNING DURING THE OCTOBER 26 UNITY RALLY AT TEHRAN UNIVERSITY THAT IRAN WOULD NOT TOLERATE THE SHAH'S BEING A GUEST IN THE U.S., AND LASTLY ITS OWN COMMENTARY (FBIS LONDON 271345Z OCT 79) THAT OUTDID IN VENOM ANYTHING WE HAVE SEEN RECENTLY FROM THAT QUARTER. (COMMENT: DURING OCTOBER 27 CALL ON BEHESHTI BY CHARGE AND DEPTOFF PRECHT FORMER SEEMED MUCH LESS CONCERNED WITH THE SHAH'S PRESENCE IN THE U.S. PER SE THAN WITH THE POSSIBILITY OF ROYAL COUNTER-REVOLUTIONARY ACTIVITIES.)

5. WE STILL HAVE THE GENERAL IMPRESSION THAT THE PGOI IS NOT INCLINED TO MAKE AN ISSUE OF THE SHAH'S PRESENCE IN THE U.S. SO LONG AS IT IS REASONABLY SATISFIED THAT HE WILL BE THERE FOR A LIMITED PERIOD OF TIME FOR TREATMENT HE CANNOT GET ELSEWHERE AND THAT NEITHER HE NOR HIS ENTOURAGE ARE ENGAGED IN EFFORTS TO UNDERMINE THE ISLAMIC MOVEMENT. WHILE TECHNICALLY A GOVERNMENT AGENCY, NIRT HAS FREQUENTLY ACTED IN INDEPENDENCE OF THE REST OF PGOI AND VARIOUS SENIOR GOVERNMENT OFFICIALS HAVE EXPRESSED THEIR DESPAIR OF BRINGING ITS CHIEF, SADEGH GHOTBZADEH, UNDER CONTROL. THE PGOI'S PREDISPOSITION NOTWITHSTANDING, IT REMAINS QUITE POSSIBLE THAT IT WILL BE PUSHED INTO A POSTURE IT MIGHT NOT OTHERWISE ADOPT IF REVOLUTIONARY RADICALS, UNSOPHISTICATED CLERGYMEN

U.S. Government Printing Office: 1976—204-830

5. PARSA KIA SAID THAT PGOI LEADERS WERE WILLING TO HAVE THE SHAH IN MEXICO BUT THE U.S. WAS A DIFFERENT CASE. THE PGOI WAS CONVINCED THAT THE SHAH WOULD USE HIS RESIDENCE IN THE U.S. AS KHOMEINI HAD IN PARIS TO CONTINUE SUBVERSIVE EFFORTS AGAINST THE PGOI. PARSA KIA POINTED OUT THERE ARE 200,000 IRANIANS IN THE U.S. AND THAT THE SHAH HAS LIMITLESS FUNDS AT HIS COMMAND (HE USED THE FIGURE WHICH IS NOW BECOMING COMMON USAGE OF 20 BILLION). PARSA KIA POINTED OUT THAT IRAN WAS A POROUS RUMOR MILL BUT THAT THE PGOI LEADERS HAD NEVER HAD ANY RUMORS THAT THE SHAH HAD CANCER. FOR THIS REASON THEY WERE VERY SUSPICIOUS OF THE SHAH'S ILLNESS. THEY ALSO DID NOT UNDERSTAND WHY THE SHAH HAD TO HAVE HIS MEDICAL CARE IN THE [redacted].

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6. PARSA KIA SAID THAT THE LEADERS OF THE PGOI, BY WHICH HE PLAINLY MEANT KHOMEINI AND HIS ENTOURAGE, WERE NOT POLITICIANS AND DID NOT UNDERSTAND THE DIPLOMATIC PROCESS. THEY DID NOT LOOK TO THE FUTURE RESULTS WHICH ANY DECISION MIGHT BRING. PARSA KIA SAID THAT THEY (THE LEADERS IN QOM) WERE WATCHING VERY CAREFULLY TO SEE WHETHER OR NOT THE SHAH WAS PERMITTED TO STAY IN THE U.S. IF HE WAS, THEY WOULD IMMEDIATELY MOVE. (HE DID NOT SAY HOW, BUT THE INFERENCE WAS TO BREAK RELATIONS.)

7. DURING CONVERSATION, PARSA KIA ALSO POINTED TO SENATOR JACKSON INTERVIEW ON MEET THE PRESS WHICH, HE SAID, HAD HIT THE UPPER LEVELS OF THE FOREIGN MINISTRY LIKE A BOMBSHELL. (STATE 11445) YAZDI HAD IMMEDIATELY SENT FOR THE FULL TRANSCRIPT WHICH THEY NOW HAD TO SEE THE CONTEXT OF JACKSON'S REMARKS. YAZDI REGARDS JACKSON AS A VERY POWERFUL U.S. LEADER AND WAS WONDERING IF JACKSON'S REMARKS COULD HAVE BEEN INTENDED AS SOME SORT OF MESSAGE FROM THE USG. EMBOFF ASSURED PARSA KIA IT WAS NOT.
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* U.S. GOVERNMENT *

AND THE GENERALLY IRRESPONSIBLE CAPTURE THE MOMENTUM
ON THE ISSUE OF THE SHAH'S PRESENCE IN THE U.S.
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EXDIS

E.O. 12065: RDS-4 10/31/89 (LAINGEN, L.B.) OR-P
TAGS: PEPR, IR, US
SUBJECT: SHAH IN U.S.

1. (C-ENTIRE TEXT.)

2. DURING EMBASSY POLOFF CALL ON ACTING CHIEF OF MFA FOURTH POLITICAL DIVISION PARSA KIA OCTOBER 31 ON OTHER SUBJECTS, PARSA KIA RAISED SUBJECT OF SHAH IN U.S. AND MADE AN EMOTIONAL, UNOFFICIAL, AND PERSONAL PLEA TO EMBOFF (FOR 45 MINUTES) TO EXPLAIN TO USG WHY SHAH MUST LEAVE U.S. PARSA KIA MADE FOLLOWING POINTS.

3. HE AND DIRECTOR GENERAL FOR EUROPE AND THE AMERICAS ETESAM WERE WORKING HARD TO TRY TO AVOID A CRISIS IN RELATIONS WITH THE U.S. BUT IT WAS ALMOST IMPOSSIBLE. THEY HAD NOT WANTED THE PGOI TO SEND AN OFFICIAL NOTE ON THE SHAH AND HAD WATERED IT DOWN AS FAR AS POSSIBLE, BUT OUTSIDE PRESSURES ON THE FOREIGN MINISTRY WERE TOO STRONG.

4. PGOI LEADERS (I.E., BAZARGAN AND YAZDI) WERE POWERLESS AND DECISIONS ON HOW TO ACT ON THE SHAH'S CONTINUED PRESENCE IN THE U.S. WOULD NOT BE MADE BY THEM. THE FOREIGN MINISTRY WOULD BE ABLE TO REPAIR THE DAMAGE DONE TO U.S.-IRANIAN RELATIONS IF THE SHAH LEFT IMMEDIATELY AFTER HE IS RELEASED FROM THE HOSPITAL; OTHERWISE THERE WILL BE A CRISIS. PARSA KIA POINTED TO HOW DECISIONS HAD BEEN MADE BY KHOMEINI ON OTHER FOREIGN AFFAIRS ISSUES SUCH AS RELATIONS WITH EGYPT, AND INTIMATED, BUT DID NOT DIRECTLY STATE, THAT THE SHAH'S CONTINUED PRESENCE IN THE U.S. MIGHT WELL RESULT IN A BREAKING OF RELATIONS BETWEEN IRAN AND THE U.S.

U.S. GOVERNMENT PRINTING OFFICE: 1977-240-325

با مصر توسط خمینی گرفته میشود. او تلویحا" گفت (بطور مستقیم بیان نکرد) که ادامه حضور شاه در آمریکا ممکن است منجر به قطع روابط ایران و آمریکا شود.

۵ ـ پارسا کیا گفت که رهبران دولت موقت مایلند که شاه در مکزیک باشد ولی موضوع آمریکا مسئله دیگری است. دولت موقت معتقد بود که موقعیت شاه در آمریکا مانند موقعیتی است که خمینی در پاریس داشت و از آن استفاده خواهد کرد تا بر علیه دولت موقت توطئه بکند. او همچنین خاطر نشان کرد که ۲۰۰٫۰۰۰ ایرانی در آمریکا زندگی می‌کنند و همچنین شاه از ثروت بی حسابی بهره‌مند است (عددی که او در مورد این ثروت استفاده کرد ۲۰ میلیارد بود.) پارسا کیا گفت که ایران مرکز شایعات است اما رهبران دولت موقت تا بحال شایعه سرطان شاه را نشنیده‌اند. به همین دلیل آنها نسبت به بیماری شاه مظنون بودند. آنها همچنین نمی‌فهمیدند که چرا شاه باید معالجات طبی خود را در آمریکا ادامه دهد.

۶ ـ پارساکیا گفت که رهبران دولت موقت (که منظور او به روشنی خمینی و اطرافیانش بودند) سیاستمدار نیستند و اصول دیپلماسی را نمی‌فهمند. آنها به نتائج تصمیماتی که هم‌اکنون میگیرند توجه ندارند. پارسا کیا گفت که آنها (رهبران قم) به دقت منتظر بودند ببینند که شاه اجازهٔ اقامت در آمریکا بدست خواهد آورد یا خیر و اگر چنین شد آنها فورا" بپا خواهند خاست. (او نگفت که این کار را به چه صورت خواهند کرد ولی روشن بود که روابط را قطع خواهند کرد.)

۷ ـ در طول صحبت، پارسا کیا به مصاحبهٔ سناتور جکسون اشاره کرد. او گفت که این اظهارات سطوح بالای وزارت امور خارجهٔ ایران را خیلی نگران کرده. یزدی فورا" تقاضا کرد که نسخه‌ای از این مصاحبه را ببیند. یزدی معتقد است که جکسون یکی از رهبران قدرتمند امریکاست. او میخواست بداند که آیا اظهارات جکسون پیامی از جانب دولت آمریکا است. مامور سفارت پارساکیا را مطمئن ساخت که چنین چیزی نیست.

لینگن